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Letter dated 26 February 2003 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

It is the aim of the Counter-Terrorism Committee to improve the flow of information with and among international, regional and subregional organizations on counter-terrorism.

With this aim in mind, the Counter-Terrorism Committee has asked all relevant international, regional and subregional organizations to contribute a summary of their activities and experiences in the area of counter-terrorism and an indication of their plans for further work. International organizations have also been asked to provide information on any best practices, codes or standards they have developed.

Please find enclosed with this letter the contributions received so far.

I should be grateful if you could arrange for the present letter and the enclosures to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

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Background to the information in the present document

International, regional and subregional organizations were invited to submit information on their activities in the area of counter-terrorism in the categories defined below (stage A, stage B, stage C, and other relevant information). The Counter-Terrorism Committee uses these categories in its own work in monitoring the implementation of Security Council resolution 1373 (2001), because the scope of that resolution is so broad. Stages A, B and C roughly correspond to different aspects of national activity aimed at raising counter-terrorism capacity.

Stage A

- Having legislation in place covering all aspects of resolution 1373 (2001), and a process in hand for becoming party as soon as possible to the 12 international conventions and protocols relating to terrorism
- Having in place effective machinery for preventing and suppressing terrorist financing.

Stage B

Once States have in place legislation covering all aspects of resolution 1373 (2001), the next phase of implementation can be broadly devised as a State strengthening its executive machinery to implement legislation related to the resolution. This will include activity along the following lines:

- Having in place effective and coordinated executive machinery covering all aspects of resolution 1373 (2001) and in particular preventing recruitment to terrorist groups, the movement of terrorists, the establishment of terrorist safe havens and any other forms of passive or active support for terrorists or terrorist groups. Effective executive machinery includes, inter alia, having in place:
  - Police and intelligence structures to detect, monitor and apprehend those involved in terrorist activities and those supporting terrorist activities;
  - Customs, immigration and border controls to prevent the movement of terrorists and the establishment of safe havens;
  - Controls preventing the access to weapons by terrorists.

Stage C

Looking further ahead, the CTC will need to consider its dialogue with States beyond the issues covered above. The CTC will make a decision at a later date, but in such cases, the CTC might move on to monitor stage C covering the remaining areas of resolution 1373 (2001), including:

- Cooperation on bilateral, regional and international levels, including exchange of information
- Judicial cooperation between States and action on bringing terrorists and their supporters to justice (e.g. prosecution or extradition, exchange of information and early-warning, and law enforcement and practical judicial cooperation)

- Links between terrorism and other threats to security (arms trafficking, drugs, organized crime, money-laundering and illegal movement of chemical, biological and nuclear weapons).

Other relevant information

- Any other information regarding activities in the area of counter-terrorism
- The texts of Security Council resolution 1373 (2001) and the 12 international conventions and protocols relating to terrorism can be found at the CTC's web site at www.un.org/sc/ctc.

The Counter-Terrorism Committee

Security Council resolution 1373 (2001) of 28 September 2001 imposed binding measures on all 191 Member States with the aim of preventing acts of terrorism worldwide. The obligations build on the measures in the 12 international treaties relating to terrorism which are binding only on those States which are party to them. The obligations in resolution 1373 (2001) require Member States to deny all forms of financial support, intended or unintended, for terrorist groups; to suppress all forms of safe haven, sustenance or support for terrorists, active or passive; and to share internationally information about any groups practising or planning terrorist acts. Thus, the binding standards in resolution 1373 (2001) cover all areas of stages A, B and C.

The Counter-Terrorism Committee (CTC) monitors States' implementation of resolution 1373 (2001). It offers advice and guidance to Governments on furthering the implementation of that resolution, on the basis of self-assessments submitted by each State.

Where appropriate, the CTC aims to facilitate the provision of assistance. It has set up an on-line Directory of Counter-Terrorism Information and Sources of Assistance (see below) as a resource for Governments to access information on best practice and potential assistance programmes.

Stage A

In its monitoring, the CTC is focusing currently on stage A. The area of legislation was selected as the first priority because of the need for States to have in place the legislative framework implementing resolution 1373 (2001) in order to begin to develop executive machinery to prevent and suppress terrorism. Likewise, a legislative framework is required in order to bring to justice terrorists and their supporters. Counter-terrorist financing was singled out as a priority issue for developing executive machinery because of the focus on operative paragraph 1 of resolution 1373 (2001).

The CTC's efforts to facilitate the provision of assistance to States is also focused on the areas of government capacity covered by stage A. States are encouraged to contact the CTC to discuss their assistance needs.

Stage B

Once the CTC has no further comments/questions for a State on stage A issues, it will address the next set of priorities. It is expected that the CTC will begin to monitor stage B for some States from February 2003.

Stage C

Once the CTC has no further comments/questions for a State on stage B issues, it will address a third set of priorities.

Other relevant information

The CTC aims to facilitate bilateral and international cooperation on counter-terrorism. To this end, it has published a directory of contact points in every Permanent Mission, Government, regional and international organization who could be contacted regarding the implementation of resolution 1373 (2001).

Further details about the mandate and activities of the CTC, and the directories referred to in this note, can be found on its web site (www.un.org/sc/ctc).

The contact person for the Security Council Counter-Terrorism Committee is Sujata Mehta, Secretary of the Committee, telephone No. 1-212-457-1080, or by e-mail at ctc@un.org.

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I. Intergovernmental organizations which have received a standing invitation to participate as observers in the sessions of the General Assembly and/or maintain permanent offices at United Nations Headquarters

Report of the Interim Chairperson of the African Union Commission on the activities of the African Union towards the prevention and combating of terrorism

I. Introduction

Purpose and scope

1. This report presents a summary of activities of the African Union towards the prevention and combating of terrorism, prepared as a contribution of the African Union (AU) to the Security Council Counter-Terrorism Committee (CTC) Special Meeting with International, Regional, and Subregional Organizations on 7 March 2003. The report assesses the counter-terrorism activities in Africa undertaken under the aegis of the AU, towards the prevention and combating of terrorism, in view of the global counter-terrorism campaign emanating from Security Council resolution 1373 (2001). This report is divided into three main sections. The introduction, which constitutes section I, presents the general background information and the highlight of terrorist activities in Africa. Section II examines the steps taken to implement resolution 1373 (2001), including counter-terrorism legislation in Africa after 11 September 2001, and the way forward for the counter-terrorism campaign in Africa. Section III presents the conclusion, which highlights some of the challenges of the counter-terrorism regime in Africa.

Background

2. The resurgence of deadly terrorism in the 1990s has come to constitute one of the most serious threats to Africa and the international security system. This unfortunate development has the potential of undermining the most cherished fundamental values of the twenty-first century, including the ideals of peaceful coexistence, stability, democracy, human rights and economic and social developments. The horrendous terrorist acts perpetrated against the people of the United States of America on 11 September 2001, marked a pivotal moment in the history of international terrorism. The events generated a new focus and unprecedented international solidarity, which culminated in the adoption of Security Council resolution 1373 (2001) for the prevention and combating of terrorism in all its aspects. In Africa, the events provided a much-needed momentum for the elaboration of concrete measures to prevent and combat terrorism in all its aspects. Efforts to eliminate certain attitudes and crimes associated with terrorism were also given a new focus and impetus at the national and regional levels.

Terrorist activities in Africa

3. In their reports to the Security Council Counter-Terrorism Committee (CTC), many African countries indicated that they had experienced terrorist activities in one form or another. In the decade of the 1990s, tens of thousands of people died as a result of terrorist attacks in Africa. The series of mercenary attacks in many countries; the violent and persistent terrorist attacks in Algeria; the attempted assassination of Egyptian President Hosni Mubarak in the summer of 1995, in Addis Ababa; the massacre of 58 foreign tourists and 4 Egyptians in Luxor, Egypt, in November 1997; the attacks on the two United States Embassies in Nairobi and Dar es Salaam in August 1998; and the recent terrorist incidents, including the explosion

in Tunisia at a landmark synagogue in April 2002, and the attacks in Mombasa, Kenya, in November and December 2002, highlight the global nature of terrorism and its despicable impacts on Africa.

4. Africa has over the years promoted and supported international instruments that regulate practices that lead to terrorism, such as the United Nations Convention against Transnational Organized Crime, the Ottawa Process on the ban of anti-personnel landmines, the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects, and the United Nations Register of Conventional Arms. In addition to international instruments, Africa has also considered and developed common regional positions, to counter and regulate those activities that facilitate or are associated with terrorism such as drug trafficking, arms trafficking, illegal human trafficking, mercenaries, organized crime, corruption and money-laundering. In order to regulate such activities, African countries have adopted the following:

- The 1996 Yaoundé Declaration and Plan of Action on Drug Control, Abuse and Illicit Drug Trafficking in Africa;
- The 1998 Dakar Declaration on the Prevention and Control of Organized Transnational Crime and Corruption;
- The 2000 Bamako Declaration on an African Common Position on the Illicit Proliferation, Circulation and Trafficking of Small Arms and Light Weapons.

II. The counter-terrorism campaign in Africa

Stage A

Counter-terrorism legislation in Africa

5. As victims, African countries have long espoused the imperative need to fight and eliminate the scourge of terrorism. Terrorism impinges on the fundamental values and objectives set out in articles 3 and 4 of the Constitutive Act of the African Union, as priorities for African countries in the twenty-first century. The African Union is founded on democracy, the respect for human rights, fundamental freedoms, the guarantee of the dignity of the human being, the guarantee of peace, security and justice of all Africans, and the right to development. In article 4, paragraph o, of the Constitutive Act, member States of the African Union declare their respect for the sanctity of human life, condemnation and rejection of impunity and political assassination, acts of terrorism and subversive activities. By virtue of the Constitutive Act, the African Union has a greater role to play in the fight against terrorism.

6. Prior to the 1990s, terrorist acts were treated and punished as common offences in the penal (or criminal) codes of many African national legislations. However, the resurgence of deadly terrorism in the 1990s, the tragic events of 11 September 2001 and the subsequent adoption of Security Council resolution 1373 (2001) called for specific national legislation to address and counter the phenomenon of terrorism. To this end, many African countries have adjusted their national legislation with provisions in their penal codes and in some cases, specific anti-terrorism bills have been articulated to criminalize, punish and suppress crimes of terrorism including the financing, dissemination of information, establishment of

associations or groups that support or harbour and encourage participation in terrorist-related activities. Depending on the gravity of the act, the average punishment for terrorism and terrorist-related crimes in many African countries ranges from five years' imprisonment to the death penalty. National efforts have been complemented with subregional and regional efforts. This section focuses on those activities undertaken at the regional or continental level to prevent and combat terrorism in Africa.

7. The horrific terrorist bombings in Kenya and the United Republic of Tanzania in August 1998 gave impetus to the collective will of African leaders to deal with the scourge of terrorism in a more coordinated and resolute manner. This collective spirit culminated in the adoption in July 1999 of Decision (AHG/Dec.132 (XXXV)) on the OAU Convention on the Prevention and Combating of Terrorism in Africa, at the thirty-fifth Ordinary Session of the Assembly of Heads of State and Government, held in Algiers. The adoption of the Algiers Convention marked the most far-reaching comprehensive framework achievement and a turning point in African legislation on terrorism at the continental level.

8. The commitment of African countries to combat the scourge of terrorism, premised on a common recognition that terrorism posed a serious threat to peace, stability, security and development of the continent was further given concrete expression in the OAU Solemn Declaration on the Conference on Security, Stability, Development and Cooperation in Africa (AHG/Decl.4 (XXXVI)), adopted by the Lomé Summit in July 2000, to serve as a comprehensive framework for coordinating and harmonizing security, stability, development and integration policies in Africa. The Declaration rejects terrorism in all its manifestations as inimical to stability, and in the Plan of Action, meant to translate into concrete actions the principles governing the Conference process, member States agreed on the need to exchange "information and cooperation at the subregional level on security matters, especially on issues relating to terrorism" (para. 14 (d)).

9. Furthermore, and as part of follow-up to its Decision (CM/Dec.540 (LXXII) Rev.1), adopted by the seventy-second Ordinary Session of the Council of Ministers, held in July 2000, in Lomé, the OAU convened an Experts Meeting to consider a Draft Convention on Extradition and a Draft Convention on Mutual Legal Assistance in Criminal Matters, in Addis Ababa, from 2 to 5 April 2001. These two conventions, once finalized and formally adopted and ratified, will go a long way in reinforcing the OAU Convention on Terrorism, relating to extradition and mutual legal assistance.

Stage B

Counter-terrorism activities of the AU after 11 September 2001

10. On 12 September 2001, the then OAU Secretary-General issued a statement strongly condemning the terrorist attacks in the United States of America. He also on behalf of the OAU conveyed his condolences to the Government and people of the United States of America and expressed Africa's solidarity with them.

11. The Central Organ of the Mechanism for Conflict Prevention, Management and Resolution, meeting at the Ambassadorial level on 20 September 2001, reiterated Africa's unequivocal condemnation of the terrorist attacks in New York,

Washington, D.C. and Pennsylvania, and expressed the solidarity of the OAU and the people of Africa with the United States. The Central Organ stressed the urgent need to bring to justice the perpetrators and sponsors of those terrorist attacks.

1. Steps taken by the AU to implement Security Council resolution 1373 (2001)

12. The adoption by the Security Council of resolution 1373 (2001) in response to what remains the largest terrorist attacks in history was immediately hailed the world over as a significant turning point in the fight against terrorism after 11 September 2001. The African Group at the United Nations immediately welcomed the resolution and indicated initial collective African support. Resolution 1373 (2001) and the despicable terrorist attacks in the United States reinvigorated the collective spirit in Africa to combat and prevent terrorist activities in the continent.

13. Barely two weeks after the adoption of resolution 1373 (2001), African leaders convened a summit meeting on 17 October 2001, in Dakar, at the initiative of President Abdoulaye Wade, to consider a practical approach to fighting terrorism in Africa and ways in which the continent could contribute more meaningfully to the new global campaign against terrorism, in the light of the resolution, and the new threats of the phenomenon of terrorism, unfolded by the tragic events in the United States. The Dakar Meeting recognized resolution 1373 (2001) and other relevant resolutions and conventions of the United Nations, as containing the framework for fighting terrorism. At the end of its deliberations, the summit meeting adopted the Dakar Declaration, which inter alia:

- Strongly condemned any act of terrorism on the African continent or in any other part of the world;
- Called upon all the African countries to ratify the OAU Convention as a matter of urgency, as well as similar United Nations instruments, and take the legal, diplomatic, financial and other measures to fight against terrorism at the national, subregional, regional and international levels;
- Recommended that the OAU convene an extraordinary summit meeting to evaluate the progress made so far in Africa in the fight against terrorism and to ensure that the events following 11 September 2001 and their consequences had the least possible impact on the development of Africa, particularly the implementation of the New African Initiative;
- Requested the OAU to consider the possibility of preparing a Draft Additional Protocol to the OAU Convention on Terrorism in consultation with the States parties, in conformity with the provisions of article 21 of the said Convention.

14. The Dakar Declaration was important in that it underlined the importance of harmonizing and strengthening the counter-terrorism campaign in Africa in conformity with the global trend.

15. On 11 November 2001 during the fifty-sixth session of the General Assembly in New York, the Central Organ of the Mechanism for Conflict Prevention, Management and Resolution convened its fifth extraordinary session at the ministerial level, to deliberate on the problem of terrorism and to consider ways in which Africa can further contribute to the efforts of the international community to combat and prevent terrorism, in view of Security Council resolution 1373 (2001). At the end of their deliberations, members of the Central Organ issued a

communiqué, which expressed Africa's support for resolution 1373 (2001) and the political will to follow up its effective implementation. The communiqué also reiterated the Dakar Declaration and its proposal for an Additional Protocol to the Algiers Convention of 1999.

16. As part of follow-up to the Dakar Declaration and the communiqué of the fifth extraordinary session of the Central Organ, and the need to give practical effect to the Algiers Convention of 1999, taking into consideration the counter-terrorism regime established by resolution 1373 (2001), the Commission of the African Union convened a High-Level Intergovernmental Meeting in Algiers on the prevention and combating of terrorism in Africa, from 11 to 14 September 2002. The purpose of the High-Level Meeting was to deliberate on practical measures for the prevention and combating of terrorism in Africa and to consider a Plan of Action for the effective implementation of the Algiers Convention of 1999 and Security Council resolution 1373 (2001) as well as other relevant international instruments. Additionally, the convening of the Algiers Meeting was motivated by a common recognition among African countries that, given the seriousness and violent form of modern terrorism, its eradication requires a firm commitment by AU member States to pursue a common objective, and that joint action must be taken at the intergovernmental level for exchanging information on the activities and movements of terrorist groups in Africa; mutual legal assistance; coordinating border surveillance; developing and strengthening border control points; and combating illicit imports and exports and stockpiling of arms, ammunition and explosives. The Meeting brought together 49 delegations from AU member States, the United Nations system, the European Union, and other international organizations. After three days of deliberations, the Meeting adopted the Algiers Plan of Action on the Prevention and Combating of Terrorism in Africa, intended to give a concrete expression to a long commitment and obligation of African countries to promote and enhance their access to appropriate counter-terrorism resources.

17. The Plan addresses some of the key provisions of resolution 1373 (2001) and establishes a complex network of cooperation and exchange of information among member States of the African Union, on various counter-terrorism activities, including police and border control, suppression of the financing of terrorism, legislative, judicial and preventive measures to counter the threat of terrorism. As a supplement to the Algiers Convention, the Plan of Action underscores the importance and urgency to ratify the Algiers Convention.

18. With respect to police and border control, the Plan establishes a framework for exchange of information on the modalities and expertise, computer-readable travel documents, as well as the treatment of requests for asylum, training and utilization of information for the guarantee of the security of travel documents.

19. In the legislative and judicial domains, the Plan calls for harmonization and rationalization of norms, procedures and legal structures, in order to make them more responsive to the prevention and fight against terrorism.

20. In the area of suppression of the financing of terrorism, a series of measures are established to streamline and strengthen banking and financial activities likely to lead to or encourage participation in terrorist activities.

21. The Plan of Action also established a series of measures to streamline, simplify and further encourage States to conclude extradition treaties and mutual legal assistance.

22. In the area of coordination at the regional, continental and international levels, the Plan provides for contact points at the regional level to follow up and liaise on matters relating to the implementation of the Plan of Action and to prepare model legislation and guidelines to assist member States to adapt their legislation to the provisions of the relevant African Union and international instruments.

23. In order to translate these measures into action, particularly, in the area of research on terrorism, the Plan of Action establishes an African Centre for Study and Research on Terrorism, which will be charged with the centralization of information, training, providing expertise, studies, evaluation, analysis and follow-up on terrorist and counter-terrorist activities.

2. Actions taken by the AU to implement the Algiers Convention and the Plan of Action

24. It should be recalled that the Algiers Plan of Action underlined the urgency for member States which have not yet done so to sign and ratify the Algiers Convention in order to facilitate its early entry into force and to widen the counter-terrorism regimes at both the national and international levels. Before the Algiers High-Level Intergovernmental Meeting in September 2002, only 13 countries had ratified the Convention, of which 15 ratifications were needed to bring the Convention into force. Following the Algiers Meeting, the AU Commission placed high priority on achieving the required number of ratifications. In this regard, the Commission carried out a range of activities, including press releases, reminders and other communications with member States, encouraging them to fulfil their commitments in the Plan of Action and the Algiers Convention.

25. A major achievement in the efforts of the Commission came on 6 November 2002, when Ghana deposited the fifteenth instrument of ratification, paving the way for the Convention to enter into force on 6 December 2002, in accordance with its article 20. The Commission continues to put priority on expanding the number of ratifications in order to widen and strengthen the counter-terrorism regimes in Africa.

Stage C

The way forward for the counter-terrorism campaign in Africa

26. The Programme of Work of the Commission for the first half of 2003 concerning terrorism projected the following activities as priority areas for the way forward for the counter-terrorism campaign in Africa:

1. Strengthening and expansion of the counter-terrorism regime in Africa by promoting ratification of the Algiers Convention in order to include all African countries as States parties, and to fully operationalize the Convention;

2. Harmonization of national legislation, through review and amendment of national laws to establish a common definition and punishment of criminal offences for terrorist acts;

3. Strengthening the capacity of and cooperation among African countries, particularly in the area of police and border control, and suppressing of the financing of terrorism, including assistance in expertise and technological know-how and equipment;

4. Cooperation and exchange of information at the bilateral, regional and international levels. This should include harmonization of regional and international initiatives. In this regard, it is particularly important to strengthen cooperation and the exchange of information between the United Nations Counter-Terrorism Committee and the African Union on all aspects of terrorism. An effective communication link should be established to facilitate faster and regular exchange of vital information regarding terrorism;

5. The elimination of terrorism should include the elimination of terrorist-related crimes, such as drug trafficking, organized crime, illegal proliferation of arms, mercenaries and money-laundering. In this context, the Commission would give priority to fully implement and operationalize decisions and instruments regulating terrorist-related activities as mentioned in section I (c) above;

6. The establishment of the African Centre for Study and Research on Terrorism, which would provide training on counter-terrorist activities, develop and maintain a database and a journal review on terrorism and counter-terrorism activities in Africa;

7. The Commission would also continue to monitor the global terrorist and counter-terrorist activities and provide updates to member States on the status of the counter-terrorism campaign. It would also strengthen outreach and network with relevant national, regional and international organizations, groups and institutions involved in the fight against terrorism, particularly those involved in research and investigation.

III. Conclusion

27. The key provisions of resolution 1373 (2001) request States to undertake several measures to suppress the financing of terrorism and to find ways of intensifying and accelerating the exchange of operational information, especially regarding actions or movements of terrorist persons or networks, forged or falsified travel documents, traffic in arms, explosives or sensitive materials, use of communications technologies by terrorist groups, and the threat posed by possession of weapons of mass destruction by terrorists. In order fully to implement these requirements, States must take extra security measures, including increasing recruitment of police and security officers, training, upgrading technology and communication systems, as well as mobilizing more resources to the security sector. In Africa, efforts at the national, subregional and continental levels to implement resolution 1373 (2001), as well as to promote the counter-terrorism campaign in Africa have been constrained by certain prevailing factors in the continent, such as conflict and political instability, diversity in African legal traditions, poverty and poor standard of technology, and budgetary constraints in many member States.

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Summary of anti-terrorism measures taken by the Asian Development Bank

The Asian Development Bank (ADB) has taken steps to combat the financing of terrorism through actions in three areas as described below.

Direct assistance to developing member countries

ADB is assisting its developing member countries in their efforts to strengthen the legal and institutional regimes necessary for combating the financing of terrorism as well as anti-money laundering. In this connection, ADB has provided a number of loans and technical assistance to its developing member countries to indirectly strengthen their financial sectors and thus contribute to the establishment of a basis for effective systems devoted to anti-money laundering/combating the financing of terrorism. Recently, some ADB loans included covenants or disbursement conditions related to the passing of needed laws in this regard.

Enhancing and joining international and regional efforts

ADB is (a) preparing a policy paper on enhancing its role in anti-money laundering/combating the financing of terrorism, and (b) speaking regularly at international and regional forums devoted to anti-money laundering/combating the financing of terrorism to support the global initiatives and accelerate the progress of developing member countries. The latest of such examples is the conference held in Bali, Indonesia, on 17 and 18 December 2002.

President Tadao Chino sent a letter to all the governors of ADB on 19 November 2001 confirming (a) ADB support for the efforts, citing relevant United Nations resolutions, against terrorism and (b) ADB commitment to preventing financial and economic support for entities and persons involved in, or who facilitate the work of, terrorist groups.

Immediately after the President sent that letter, the Anti-corruption Unit of the Office of the General Auditor coordinated with the Strategy and Policy Department to add a state nent addressing the issue of the financing of terrorist activities to the ADB Anti-corruption Sanctions List available for official use by ADB staff. In addition, the Anti-corruption Unit of the Office of the General Auditor began to review internationally disseminated lists of entities involved in or supporting terrorist activities (for example, from the United States of America[1] and the European Union) and to document those that appear to be from ADB member countries. The Anti-corruption Unit of the Office of the General Auditor updates and shares this information with operational and administrative staff to help ensure that ADB resources do not support any such entity.

ADB has sent letters to the governors of ADB and other relevant authorities confirming ADB support for anti-terrorism measures. Furthermore, ADB sent letters to the Board of Directors reporting ADB anti-terrorism measures.

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[1] The Government of the United States maintains a list of terrorist organizations based on information collected by United States authorities. The Asian Development Bank was first provided with the list via a letter dated 23 October 2001 from the United States Secretary of the Treasury.

ADB regularly surveys anti-terrorism measures taken or to be taken by selected multilateral development banks to ensure that the ADB stance on this issue is at par and complementary with other institutions.

Protecting the Bank's own funds from misuse

ADB regularly checks consulting contracts awarded by it, as well as contracts awarded for procurement of goods and works, against the terrorist list mentioned above. Furthermore, disbursements made are checked against the same list.

ADB's various review missions (for example, independent procurement reviews, country procurement assessment review missions) ensure compliance with anti-terrorism measures.

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Report of the Caribbean Community secretariat

The Caribbean Community (CARICOM) secretariat is pleased to provide the Counter-Terrorism Committee with the following information regarding its activities at the subregional level in support of regional and international cooperation to combat terrorism.

The CARICOM secretariat coordinated a special emergency meeting of the Conference of Heads of Government of the Caribbean Community, held in Nassau, the Bahamas, on 11 and 12 October 2001, to discuss the heinous terrorist attacks in New York and Washington, D.C. The Conference noted that the attack not only opened a new era in terrorism, but also shocked confidence in, and of, the international, economic and political superstructure and burnt deep into the psyche of people around the world. CARICOM countries were among the countries with the highest per capita loss of lives in the attacks.

CARICOM heads of Government issued, separately and jointly, statements of condemnation of the attacks and committed themselves to join in the strengthened war against terrorism. Statements to this effect were also made in the General Assembly as well as at the Organization of American States by CARICOM representatives. In addition, CARICOM Foreign Ministers participated in the emergency session of OAS which determined the hemispheric response to the attack. The Inter-American Treaty of Reciprocity, the collective security arrangement, was activated on 15 September 2001, for the first time since the Treaty was signed in 1947.

In respect of resolution 1373 (2001), the region undertook a detailed analysis of all the provisions and of the legal and institutional capacity of the member States individually and collectively, to satisfy the obligations. There were several areas in which legislation needed to be introduced, amended or repealed. The capacity for legislative drafting is a major weakness and so initiatives are being taken to support or facilitate this at the regional level.

The region has also undertaken a thorough review of its intelligence gathering, analysis and dissemination capacity and its security apparatus. In this context, matters relating to aviation and maritime transportation and the financial sector, trade in illicit drugs and small arms, and potential internal terrorist threats have been identified as being of particular importance to the region. In the area of aviation, the mandate of a Regional Aviation Safety Oversight System, which was being put in place as a collaborative venture by the Directorate of Civil Aviation, is being widened to include a security component. A study has recently been completed for the new organization on the aviation safety and security requirements of the various States. This fledgling organization needs support.

With respect to the legal framework to address these issues, the Conference of Heads of Government of the Caribbean Community has:

> "*Agreed* that mechanisms to fast-track relevant international conventions and protocols should be adopted. This would include:
>
> > "(i) The development of model legislation by the Caribbean Community (CARICOM) secretariat, where necessary, in collaboration with the United Nations International Drug Control Programme, as a guide to the

development of relevant national legislation on the United Nations Convention against Transnational Organized Crime and its protocols;

"(ii) The review by the Legal Affairs Committee of the Caribbean Community of the pertinent international conventions and protocols and existing legislation with a view to recommending a strategy and updating or enacting national legislation, as appropriate;

"*Also agreed* that member States should complete their consideration of the draft Regional Mutual Legal Assistance Treaty, with a view to its early adoption and implementation;

"*Further agreed* on the need for institutional capacity-building, particularly in legal drafting, as a priority for member States, strengthening of the legal capacity of the CARICOM secretariat and collaboration and sharing legal drafting expertise within the region;

"*Agreed* that the Community would need to strengthen international alliances and actively participate in the Sixth Committee of the General Assembly and other relevant bodies as the General Assembly seeks to negotiate the United Nations Convention on Terrorism and follow the legal initiatives of the Organization of American States in the area of terrorism in order to ensure that the Community's interests are fully represented."

In July 2001, the Conference of Heads of Government of the Caribbean Community had established a Regional Task Force on Crime and Security. However, in the aftermath of 11 September 2001, the mandate of that body was modified by the Special Emergency Meeting of the Conference to address the issue of terrorism. The Task Force has recommended the following:

(1) Improvement of border control measures and port security in order to limit and monitor the movement and activities of terrorist elements within the region;

(2) A regime of domestic security measures aimed at:

(a) Improving security at key points and critical infrastructure;

(b) More efficient management of intelligence;

(c) Public education to keep the public current of the terrorist threat and reducing opportunities for corruption of youth by terrorist elements;

(d) Contingency planning for response to terrorist incidents;

(3) Legislation to enable implementation of international conventions on terrorism and terrorist financing;

(4) Expansion and enhancement of regional intelligence and information-exchange mechanisms for shared use, to include intelligence and information on terrorism.

A key issue in relation to the full implementation of resolution 1373 (2001) is the need to respect the protection of fundamental human rights, which are enshrined in the Constitutions of member States.

In that context, there are significant difficulties in implementing the provisions of the resolution, particularly as they relate to the freezing of assets without any specific admissible evidence of wrongdoing being supplied.

CARICOM also recognizes the need for a definition of "terrorism" and for standards for intelligence gathering relating to the freezing of assets.

With regard to stage A:

Several member States have enacted legislation to cover some aspects of resolution 1373 (2001) and have made the required reports to the Counter-Terrorism Committee of the Security Council. The CARICOM secretariat, with assistance from USAID, is in the process of establishing a Regional Drafting Facility which will, inter alia, assist member States in drafting relevant legislation to achieve compliance with their obligations under resolution 1373 (2001). The United Nations Drug Control Programme has also made a commitment to assist member States;

Members of the Caribbean Financial Action Task Force at the Special Ministerial Meeting, held in Barbados on 15 January 2003, reaffirmed their commitment to the global struggle against money-laundering and the financing of terrorism and strongly recommended utilizing the United Nations framework, based on collaboration and open participation, to work towards a global convention on money-laundering. Such a convention will assist in putting in place effective executive machinery for preventing and suppressing terrorist activity;

Most CARICOM member States and the secretariat will be participating in the Commonwealth Secretariat Workshop on Legislative Measures to Implement Security Council Resolution 1373 (2001) on Combating Terrorism, to be held in Antigua and Barbuda from 10 to 14 February 2003.

With regard to stages B and C:

Once member States have enacted the relevant legislation, the CARICOM secretariat's focus will be on assisting member States to implement stages B and C.

Please be advised that the secretariat will be pleased to participate in the special meeting of the Counter-Terrorism Committee with the representatives of international, regional and subregional organizations.

Our representative will be Gloria Richards-Johnson, Assistant General Counsel.

Edwin W. Carrington
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Report on the activities of the Commonwealth Secretariat in relation to Security Council resolution 1373 (2001)

In furtherance of the commitment of Commonwealth Heads of Government to assist each other with the implementation of Security Council resolution 1373 (2001), the Commonwealth Secretariat has undertaken various initiatives to assist member countries in these efforts. The following is a short summary of those activities.

Stage A

Much of the work to date has focused on the development of implementing legislation. An expert-group meeting was held in January 2002 to consider the resolution and identify the legislative and administrative measures needed to implement its obligations under domestic law. The report from that meeting has been distributed within and outside the Commonwealth for use in legislative development.

On the basis of the report, model legislative provisions have been prepared and distributed as well.

With respect to the 12 counter-terrorism conventions, implementation kits have been prepared which analyse the content of each convention and provide examples of legislation that can be used to implement the conventions in domestic law.

In addition to the development of these tools, the Commonwealth is carrying out a series of four regional programmes, in southern/eastern Africa, the Caribbean, Asia and West Africa, to assist with legislative development and drafting. The programmes consist of three phases. In phase I assistance is provided to those countries requiring help with the analysis of existing laws and the preparation of reports to the Counter-Terrorism Committee. Phase II is a regional workshop at which detailed legislative action plans are prepared by each country. Phase III involves in-country follow-up and assistance. The Commonwealth Secretariat is also contributing to a similar programme of assistance being run by the Pacific Islands Forum Secretariat for Pacific island countries.

Stage B

To date there has been no specific work on implementation at the law-enforcement level other than the recommendations in the expert-group report on possible administrative measures that can be adopted. Discussion is under way, however, for possible future work in the area of law-enforcement training, specifically in respect of the investigation of terrorist financing.

Stage C

The expert-group report and model legislative provisions that have been developed touch on issues relating to international cooperation, in particular legislative amendments to eliminate the application of the political-offence exception in respect of extradition and mutual legal assistance.

The workshop programme includes a substantial component on legislation for mutual legal assistance, extradition and law-enforcement cooperation.

The Criminal Law Section of the Secretariat also delivers a considerable amount of training in the field of international cooperation generally.

At their recent meeting in Saint Vincent and the Grenadines, Commonwealth law ministers amended the Commonwealth scheme for extradition to ensure that the political-offence exception would not be applicable to cases of alleged terrorist crimes.

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Information on actions to counteract international terrorism taken in the framework of the Commonwealth of Independent States

Having been confronted by a large-scale assault of international terrorism and extremism, the countries of the Commonwealth of Independent States associate this evil with a global threat, that is impossible to shelter from in "the national flats", without uniting efforts in combating it.

In June 1999 a Treaty on cooperation between the CIS member States in combating terrorism was signed, which is a legal basis for interaction of the Commonwealth's competent organs in the issues of preventing, exposing, curbing and investigating the acts of terrorism.

In June 2000 the programme of the CIS member States for combating international terrorism and other manifestations of extremism until 2003 was adopted. The implementation of the programme made it possible to coordinate the Commonwealth countries' efforts aimed at counteracting terrorism. In addition, the CIS member States' cooperation is being accomplished while observing their national interests and in the format of the States concerned.

In carrying out the programme, the CIS member States have intensified their adherence to principal international treaties in the sphere of combating international terrorism, concluded in the framework of the United Nations and the Council of Europe, and accelerated their domestic procedures, needed for the coming into force of relevant international acts, adopted within the framework of the Commonwealth of Independent States.

The law enforcement organs of the CIS member States conducted the bilaterally and multilaterally concerted operative and preventive special operations, aimed at taking preventive steps and curbing the acts of terrorism and the activity of transnational groups, dealing with illegal arms and drug trafficking and illegal migration.

Since 1999, annual joint staff and command exercises have been conducted with the aim of perfecting interaction between military commanding organs of the CIS countries in preparation for and conduct of operations on elimination of bandits' formations. The States parties to the Treaty on Collective Security have created the Collective Forces of Rapid Deployment of the Central Asian region.

Since 1 December 2000, the CIS member States' Anti-terrorist Centre has been functioning. In Bishkek a regional task force group was established to work in the most tense Central Asian direction.

In April 2000 the Anti-terrorist Centre, in cooperation with the law enforcement structures of the Commonwealth States, conducted "The South-Anti-terror-2002" staff and command exercises on the territory of the Kyrgyz Republic, the Republic of Kazakhstan and the Republic of Tajikistan.

At the Chisinau summit meeting, the CIS heads of State adopted the provisions on the organization and conduct of joint anti-terror operations, which stipulate that the Commonwealth countries in accordance with their national legislation shall nominate in advance the competent organs that would be responsible for conducting joint anti-terrorist operations, and also define the composition of the special anti-terrorist formations to fulfil the said tasks, ensure rapid arrangement of formalities

in crossing State boarders by the special units, exempt them from paying customs duties and fees, facilitate delivery of personnel and special equipment, organize accommodation, provide medical service, transport and communication.

It must be noted that the programme for combating international terrorism contains the mechanism for supervising its implementation. In this connection, the CIS Executive Committee prepares a relevant annual report and submits it for consideration by the Councils of Heads of State and Heads of Government.

Taking into account the fact that the programme expired in 2002, the CIS Executive Committee has prepared the draft of a new programme of the CIS member States for combating international terrorism and other manifestations of extremism for 2003-2004.

Thus, it can be concluded that within the framework of the Commonwealth of Independent States, the legal basis has been established and practical joint measures have been taken for counteracting modern challenges and threats, including also international terrorism. This contributes to regional stability and maintenance of peace.

The accumulated experience and the documents adopted within the CIS framework could be used for elaboration of appropriate recommendations of the Counter-Terrorism Committee.

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Council of Europe

Within two months after the terrorist attacks in the United States, in the context of firm and strong political commitments from the Committee of Ministers, the Parliamentary Assembly and the Conference of European Ministers of Justice, the Council of Europe began to implement a plan of action adopted by the Committee of Ministers in November 2001. The Council of Europe's action is threefold: (1) strengthening legal action against terrorism; (2) safeguarding fundamental values and (3) addressing the causes. This report concentrates on the first two.

1. Strengthening legal action against terrorism (www.legal.coe.int)

The most significant developments in this area relate to the work of (a) the Multidisciplinary Group on International Action against Terrorism (GMT) and (b) the Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL/PC-R-EV).

(a) International legal cooperation — The GMT (www.coe.int/gmt)

The GMT, a governmental committee of experts, bringing together experts from the 44 member States of the organization and a number of observer States and organizations was set up by the Committee of Ministers in November 2001 with the task of (i) identifying priorities for the future action by the Council of Europe and (ii) reviewing the relevant Council of Europe international instruments, in particular the European Convention on the Suppression of Terrorism of 1977. The GMT held six meetings from December 2001 to December 2002.

(i) Priority areas for further action

The GMT identified a number of priority areas for actions by the Council of Europe, namely: research on the concepts of "*apologie du terrorisme*" and "incitement to terrorism", special investigation techniques, protection of witnesses and "*pentiti*", international cooperation on law enforcement, action to cut terrorists off from funding sources, and questions of identity documents which arise in connection with terrorism.

These priorities were endorsed by the Committee of Ministers in November 2002 and the terms for the implementation of these activities as of 2003 have already been established.

(ii) Reviewing applicable Council of Europe international legal instruments

The GMT completed the updating of the 1977 European Convention on the Suppression of Terrorism with the preparation of a draft Amending Protocol which was agreed upon by the Ministers in November 2002. It will be formally adopted next February and open to signature in the first half of 2003.

The 1977 Convention sets out to depoliticize certain crimes and offences, for the purpose of extradition. The draft Protocol introduces a number of significant changes. The list of offences which may never be regarded as political or politically motivated has been substantially extended and now includes all the offences covered by all the United Nations anti-terrorist conventions; a simplified amendment

procedure has also been introduced allowing new offences to be added to the list; the Convention has been opened to observer States, and the Committee of Ministers may decide to open it to other non-member States; the possibility of refusing to extradite offenders to countries where they risk being exposed to the death penalty, torture or life imprisonment without parole; possibilities to refuse extradition on the basis of reservation to the Convention have been significantly reduced and such refusal will be subjected to a specific follow-up procedure, which will also apply to the follow-up of any obligation under the Convention as amended.

The Council of Europe continues working for a more effective network of European conventions and since November 2001 there have been an important number of new ratifications of the eight relevant European conventions. Moreover, in October 2003, the 25th Conference of European Ministers of Justice will be held in Sofia on the topic of terrorism and how to improve the legal response.

(b) Fight against the financing of terrorism — The MONEYVAL (www.coe.int/economiccrime)

The MONEYVAL comprises 25 Council of Europe States, which are not members of the Financial Action Task Force (FATF).[1] It is nearing the end of its second evaluation round.

Following the events of 11 September, on 30 April 2002, revised terms of reference were adopted to include the performance of States in complying with the FATF Eight Special Recommendations on terrorist financing (SR).

In 2002, non-FATF States were requested to undertake self-assessments in respect of the Special Recommendations. MONEYVAL analysed its members' responses. MONEYVAL countries were free to copy their responses to the FATF.

MONEYVAL's analysis of the self-assessments was discussed at its 10th plenary meeting in December 2002 and shared with the FATF. Members have until 31 January 2003 to provide any corrections to the MONEYVAL assessment. After any amendment the document will be published. The preliminary analysis shows significant progress in MONEYVAL States in giving effect to the Special Recommendations.

MONEYVAL is participating in the development of a comprehensive methodology for anti-money laundering and terrorist financing mutual evaluation. MONEYVAL has agreed to utilize this methodology. However, within the currency of its present mandate, MONEYVAL's use of it will only concern three new members undergoing first round evaluations. It is anticipated that all members will be evaluated in accordance with it in a third round. An extension of MONEYVAL's mandate will be applied for to accomplish this.

[1] Albania, Andorra, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Liechtenstein, Lithuania, Malta, Poland, Republic of Moldova, Romania, Russian Federation, San Marino, Slovak Republic, Slovenia, the former Yugoslav Republic of Macedonia and Ukraine.

(2) Safeguarding fundamental values

"Guidelines on human rights and the fight against terrorism" were adopted by the Committee of Ministers in July 2002 to ensure that the fundamental values of democracy, human rights and the rule of law did not fall victim to the fight against terrorism.

The guidelines remind States of their duty to protect their populations against acts committed in defiance of human rights. This may lead them to take special measures, even possibly derogatory measures, provided that these are reasonable and proportionate and strike a balance between the obligation to provide protection against terrorist acts and the obligation to safeguard human rights. They specify the limitations, drawn from international texts and the case-law of the European Court of Human Rights, which member States and, more generally, all States concerned about respect for human rights and the rule of law will impose on themselves, in any event, in their efforts to combat terrorism: prohibition of arbitrary treatment, respect for the right to life, an absolute ban on torture and inhuman or degrading treatment, prohibition of retroactive legislation, the right to a fair trial and the refusal to extradite individuals to countries where they may be condemned to death.

(3) Addressing the causes

This third line of action aims at weakening some of the factors on which terrorism feeds through intercultural and inter-religious dialogue. In addition, two integrated projects further contribute to the activities of the organization in this area, namely, "Democratic institutions in action", which aims at improving participation of marginalized or disadvantaged population groups in political and social life and "Responses to violence in everyday life", which examines the role of culture in conflict prevention.

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European Union activities in the field of counter-terrorism

The summary of activities below, presented in the format requested by the Counter-Terrorism Committee, is intended to provide background for the CTC's special meeting with international and regional organizations on 7 March 2003. It should be read in conjunction with the earlier formal reports (contained in documents S/2001/1297 and S/2002/928, submitted by the European Union to CTC on actions to implement Security Council resolution 1373 (2001) which it does not supersede or replace.

Stage A. Legislation and executive machinery

A.1 Legislation to implement Security Council resolution 1373 (2001)

The European Union has adopted a wide range of legislation in the areas covered by resolution 1373 (2001), including Common Foreign and Security Policy (CFSP) Common positions which commit the EU as a whole to full implementation of the resolution and provide the basis for more specific measures aimed at cutting off terrorist funding. (For a list of legislation adopted, see annex I.*)

A.2 Having a process in hand to become party to the 12 United Nations conventions and protocols relating to terrorism

Signature and ratification of the 12 United Nations conventions is a matter for individual member States. But all are committed to ratification through the adoption of Council Common Position 2001/930/CFSP of 27 December 2001 (see annex*) and the process is regularly monitored at the level of the Union. Since the Common Position was adopted, substantial progress has been made towards the goal of full implementation of all 12 conventions by all 15 member States.

A.3 Executive machinery to prevent and suppress terrorist financing

The primary responsibility for establishing executive machinery to prevent and suppress terrorist financing rests with member States. At the level of the Union, a mechanism has been established to develop and review a common list of persons, groups and entities involved in terrorist acts, to which obligation to freeze funds and/or enhance police and judicial cooperation should apply. As regards al-Qa'idah, the lists adopted by the United Nations Sanctions Committee (resolution 1267 (1999)) are transposed automatically into Community legislation.

Stage B. Strengthening of executive machinery

B.1 Police and intelligence structures/cooperation

Legal instruments have been agreed to improve police and judicial cooperation through: establishment of police and judicial contact points in member States; joint investigation teams; drawing up of terrorist profiles and exchange of information on terrorist incidents; and to enhance mutual legal assistance and extradition/surrender regarding terrorist offences.

* The annexes to this report are on file with the Secretariat and are available for consultation.

In Europol law-enforcement experts share information concerning international terrorism. Europol also supports member States by facilitating exchange of information, providing analysis and giving technical support to their operations.

B.2 Customs, immigration and border controls

In the field of legal migration, all legislative instruments contain "public order" clauses allowing member States to refuse or expel third-country nationals for reasons of "public order" or "domestic security". A Commission Communication[1] set out a comprehensive strategy for improving control and surveillance of EU external borders. On 28 February 2002 the EU Council approved a Comprehensive plan to fight illegal immigration and trafficking in human beings in the EU, and on 13 June 2002 a Plan for the management of the external border of the member States of the EU.

The Customs Information System[2] assists in prevention, investigation and prosecution of serious contraventions of national customs laws, through more effective cooperation between member State customs administrations, through rapid dissemination of information. The Naples II Convention[3] provides for special forms of cross-border cooperation, including hot pursuit, cross-border surveillance, and joint investigation teams. Joint customs surveillance operations are also organized by the Council Customs Cooperation Working Group.

B.3 Preventing access to weapons by terrorists

On 16 January 2002 the European Community signed the United Nations Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts, Components and Ammunition (annexed to the Convention against Transnational Organized Crime). Work is now under way to amend existing legislation, and if necessary, to prepare new legislation in order to implement those aspects of the United Nations Firearms Protocol that fall within Community competence. Further work is under way in the context of the EU Code of Conduct on the exports of military equipment to develop safeguards, inter alia, against the diversion of European armaments to terrorist organizations through controls on arms brokering and through standardized end-user certificates. The issue is also addressed in political dialogue with third countries.

Stage C. Enhanced cooperation

C.1 Bilateral, regional and international cooperation (including assistance to third countries)

The EU attaches great importance to international and regional cooperation in the fight against terrorism. Developing close cooperation with the United States of America has been a particular priority. Europol and the United States signed a

[1] "Towards Integrated Management of the External Borders of the Member States of the European Union" (COM(2002)233).

[2] CIS established by Convention of 26.7.95 on the use of technology for customs purposes.

[3] Convention of 18.12.97 on Mutual Assistance and Cooperation between Customs Administrations.

strategic cooperation agreement in December 2001,[4] and a second agreement[5] in December 2002. EU/United States negotiations are progressing on an agreement concerning mutual legal assistance and extradition. A series of EU/United States meetings to improve concrete cooperation on border controls and migration management has been held. Europol is also close to concluding a strategic agreement with the Russian Federation.

The EU has also developed cooperation mechanisms with other third countries. Anti-terrorism clauses are being included in EU agreements with third countries; and joint statements on the fight against terrorism have been adopted with many countries.[6] The EU has also reinforced its cooperation with the Asia-Europe Meeting (ASEM), the ASEAN Regional Forum (ARF), the Euro-Med Partners, Latin America and the Caribbean. The EU actively supports and participates in the counter-terrorism work of the Council of Europe the relevant activities of the Organization for Security and Cooperation in Europe, and in various United Nations bodies, including the Office for Drug Control and Crime Prevention.

The EU provides technical assistance to third countries to enable them better to implement the provisions of resolution 1373 (2001). In addition to member States' bilateral programmes, the European Commission informed CTC on how its ongoing programmes contribute to the implementation of resolution 1373 (2001), and is developing new projects specifically designed to help selected countries to fulfil their obligations under the resolution. Countries have been chosen on the basis of agreed criteria including: relevance to the fight against terrorism; relevance to the EU's foreign policy; need for and willingness to accept assistance and the existence of an EC comparative advantage. This approach has so far been piloted in Indonesia, the Philippines and Pakistan. Assessment missions should have visited all three countries by the end of January 2003. They have been able to identify specific actions which will be under way shortly in the areas of terrorist financing, law enforcement and judicial reform. In each case, the assessment missions have been coordinated with EU member States, who will be able to take the findings into account in their own assistance programmes so as to ensure overall EU coherence. Modification of existing programmes and the possibility of additional actions in other countries according to the same criteria will be considered.

C.2 Judicial cooperation

The Framework Decision on combating terrorism will provide member States with a common definition of terrorist acts and terrorist groups.[7] The European Arrest Warrant[8] provides for simplified surrender procedures between judicial authorities of member States, based upon the principle of mutual recognition of judicial decisions. Eurojust[9] stimulates and improves coordination of investigations

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[4] Europol has also concluded agreements with Poland, Hungary, Estonia, Slovenia, and the Czech Republic, and is negotiating agreements with the remaining EC acceding and candidate countries, including Turkey.

[5] Second agreement concerned exchange of personal data.

[6] United States of America, Russian Federation, Ukraine, Moldova, Western Balkans countries, 13 candidate countries, Norway, Iceland, Liechtenstein, Switzerland, 12 Euro-Med partners, Israel, Canada and India.

[7] Adopted 13 June 2002.

[8] Adopted 13 June 2002.

[9] Established 6 March 2002.

and prosecutions between member States, particularly by facilitating international mutual legal assistance and implementation of extradition requests.

The European Judicial Network (EJN)[10] facilitates judicial cooperation between member States, particularly by providing legal and practical information on mutual legal assistance to practitioners and solving cases at the bilateral level.

C.3 Links between terrorism and other threats to security

A Council recommendation[11] has been adopted to counter the symbiotic relationship between terrorism and drug trafficking, and organized crime in general, with greater emphasis on simultaneous investigations. A joint Commission-Council programme was adopted at the end of the year 2002 to improve cooperation in the European Union for preventing and limiting the consequences of chemical, biological, radiological or nuclear (CBRN) terrorist threats. The recently established Community civil protection mechanism, intended to reinforce cooperation in civil protection interventions will play a key role in this. This mechanism provides, in particular, for training and exercise in order to prepare civil protection teams to intervene jointly. Three different exercises have already been organized in this context on specific CBRN terrorist threats. The mechanism could, under conditions to be determined, also be a tool for facilitating and supporting EU crisis management operations.

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[10] Established 29 June 1998.

[11] Council Recommendation of 25 April 2002 on improving investigation methods in the fight against organized crime linked to organized drug trafficking: simultaneous investigations into drug trafficking by criminal organizations and their finances/assets.

Inter-American Development Bank: activities undertaken to combat money-laundering and the financing of terrorism

I. Introduction

Since 1998, the Inter-American Development Bank has actively supported its borrowing member countries in their efforts to combat money-laundering through national and regional programmes. The Bank has provided financing for such anti-money-laundering (AML) efforts within the context of its shareholders' mandates to support (a) the reform and strengthening of the legal and regulatory frameworks of its borrowing member countries and (b) efforts to combat corruption. The Bank seeks to address weaknesses in the AML legal and regulatory framework, ineffective enforcement of AML legislation and prosecution of AML offences, deficiencies in existing financial intelligence units (FIUs) and the need to establish FIUs where none exist, weaknesses in the banking and financial sectors, and inadequate regulatory coverage.

II. Financing anti-money-laundering programmes and programmes to combat the financing of terrorism

The Bank has approved the financing of a number of regional AML programmes through grant funds. In each of these programmes, the Bank has provided funding through regional executing agencies that have the political mandate to develop and promote AML policies and guidelines and to ensure that international standards and norms are applied uniformly in their member countries.

A number of regional technical cooperation programmes have been executed or are in execution through the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States. Two of these programmes consist of training activities executed in accordance with accepted international AML standards. One such programme, approved in 1998, was designed to train banking supervisors and employees of regulated financial institutions in seven countries of the region in the detection of money-laundering. The other such programme was designed to train prosecutors and criminal judges in seven countries in national and international legislation and guidelines applicable in the processing of a money-laundering case in national criminal courts. Another programme to be executed through CICAD, which does not consist exclusively of training activities, provides support for the establishment or strengthening of FIUs in eight member countries of South America.

The Bank has also provided technical cooperation to its borrowing member countries through the Financial Action Group for South America (GAFISUD), a regional body along the lines of the Financial Action Task Force (FATF) consisting of nine countries of South America. A programme approved in 2002 is designed to provide training for the experts that will conduct the periodic mutual evaluation exercises in the nine member countries of GAFISUD. These mutual evaluations are critical components of the work of each of the regional financial action task forces that have been established under the aegis of FATF.

With respect to the other FATF-style regional body that exists in the region served by the Bank, the Caribbean Financial Action Task Force (CFATF), the Bank provided resources to support an AML needs-assessment exercise of member countries. In addition, a training programme based on the CICAD programme

described above to train banking supervisors and employees of regulated financial institutions in the detection of money-laundering was approved last year for execution through CFATF in four countries.

The Bank is also able to finance AML activities with the resources of its regular national lending and technical cooperation programmes. With respect to such financing, it should be noted that since early 2001, all financial-sector programmes have been required to include a specific section regarding the compliance of the borrowing member country with internationally recognized standards on money-laundering and other financial abuses. Loan proposals for financial-sector reform must include specific actions designed to bring relevant AML legislation and institutions up to recognized international standards.

The Bank is in the process of addressing recent concerns with respect to terrorist activities and the need to combat funding of terrorism (CFT). Bank management continues to ensure that the institution's internal controls, both at headquarters and at all of its country offices in borrowing member countries, and its disbursement and procurement guidelines, preclude any diversion of resources. In addition, the Bank has established lines of credit with grant resources to finance the upgrading of airport security systems, primarily in the areas of institutional strengthening and training.

The Bank's AML lending and technical cooperation activities could also include specific components designed to support some discrete national CFT activities. Support could be provided, inter alia, to strengthen banking and/or financial supervisory and regulatory entities (including FIUs) and enforcement entities with respect to CFT, and to help develop or strengthen national CFT legislation in accordance with the 40+8 recommendations.

III. Participation in international dialogue on combating money-laundering and the funding of terrorism

It is critical for the Bank to maintain close contact with international and regional AML/CFT organizations and to participate in the ongoing international dialogue on AML and CFT. The organizations with which the Bank is linked have a political mandate to develop and promote AML/CFT policies and guidelines; to ensure that international standards and norms are applied uniformly in their member countries; to conduct periodic self-assessments and mutual evaluations of their respective national AML regimes, including legislation and practices; and to report results to the organizations' memberships.

The Bank is an observer at the Financial Action Task Force (FATF) and attended its most recent plenary session in February and the January meetings of the FATF Working Group on Terrorist Financing and the FATF Working Group on the 40 Recommendations. The Bank is also in regular contact with the regional financial action task forces that have been established in Latin America and the Caribbean. It holds observer status at CFATF and at GAFISUD. Finally, the Bank has had close ties with CICAD since 1998. In the case of each of these institutions, in addition to attending their periodic meetings, the Bank maintains close contact with their secretariats so as to exchange information, establish priorities and stay current on recent developments.

IV. Internal measures

With respect to internal processes at the Bank, it should be noted that the Bank's code of ethics contains provisions to ensure that as international civil servants, all staff members adhere to the highest standards of conduct. Such standards are also applicable to the staff's management of their financial affairs.

V. Conclusions

As part of its operational mandates, the Bank will continue to support its borrowing member countries in their AML and CFT activities through the type of specific national and regional programmes it has been financing since 1998. It is important to ensure that such financing is appropriately coordinated with other donors. The Bank is in the process of preparing a strategy paper for consideration by its Board of Executive Directors that contains a clear structure for the continuation and expansion of the institution's AML and CFT activities. In addition, the Bank will continue to take the necessary steps so that there are proper internal controls to prevent Bank resources from being disbursed for improper purposes, including diversion to identified terrorist groups.

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Combating terrorism — Interpol's role

The General Secretariat Public Safety and Terrorism Sub-Directorate is specifically dedicated to review, exploit and summarize all information received from member countries for subsequent analysis or requests from member countries.

Generally speaking, messages received from member countries provide information on international terrorist events or request that some action be taken by the General Secretariat: name checks, issuance of a notice, diffusion, alert or warning.

Information received is used to populate and enrich our database; this is beneficial for future inquiries and analysis. Our National Central Bureaux (NCBs) are requested to report the following:

1. Type of incident, i.e., bombing, murder, extortion, etc.;
2. Location, time and date;
3. Number of deaths and/or injuries;
4. Extent of property damage, including any monetary estimate;
5. Modus operandi;
6. Claims of responsibility.

Current activities

Global terrorism assessment

The General Secretariat is collecting Country Terrorism Situation Reports from NCBs that depict the current terrorism situation in their country. These situation reports will be used to prepare a Global Terrorism Assessment.

Weapons of mass destruction

Regular meetings and a training programme with the International Atomic Energy Agency (IAEA) culminated in several regional training courses being offered. Currently, there are ongoing efforts with some of the IAEA trainers to publish a reference document on illicit trafficking in nuclear materials for police investigators and border police. Interpol and Europol are currently working on a joint bioterrorism initiative.

Civil aviation safety

Ongoing systematic collection of information on civil aviation security, hijacking incidents, attacks at airports. A close working relationship has been cultivated with various civil aviation international organizations to include the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA) and Airports Council International (ACI).

Interpol Weapons and Explosives Tracking System

The Interpol Weapons and Explosives Tracking System (IWETS) is an ongoing project to modernize a global and automated firearms/explosives information

system. Working groups have been established and the United States Department of State provided funding to complete a feasibility study. The enhanced IWETS would include a worldwide stolen firearms database network, electronic firearms tracing, bombing and explosives database, firearms and ammunition reference library, operational flash bulletin board for firearms and explosives-related crimes, and embedded analytical tools.

Central Asian terrorism

This project focuses on the developing terrorism situation by organizations claiming to act on behalf of Islam in the Central Asian and neighbouring countries. Special consideration is being given to new preventive and operational measures that foster national security and public order.

Maritime piracy

This is an important crime area for several of our member States; in response to their requests, the General Secretariat held the first major international conference on this topic in November 2001. We are currently drafting a project proposal in furtherance of this initiative.

Fusion Task Force

The Fusion Task Force was created in September 2002 to deal with aspects of terrorism without dealing in classified information, relying primarily on obtaining information to serve as a pointer system to various countries regarding suspected terrorists, by compiling and distributing lists of suspected terrorists and providing analytical reports of logistical networks which support terrorist activity. The task force has so far produced a report on Italian stolen identity documents, another on Belgian stolen identity documents, both used by radical fundamentalist groups, as well as a report on the Groupe Salafist network in Europe. Seven membership lists of suspected terrorists have also been sent to all member countries. We are currently in the process of finalizing an analytical report regarding charity organizations that were financing terrorism. A similar project is under way for the South-East Asian region.

Interpol Terrorism Watch List

In 2002, Interpol launched a new tool in the fight against terrorism: the Interpol Terrorist Watch List. This permits instant access to Interpol's restricted web site by our NCBs and other authorized police agencies to information on wanted terrorists and suspected terrorists. Included in the Terrorism Watch List are notices — 864 red (arrests), 41 blue (locations), 21 green (information) and 6,991 stolen passports with passport number, country of origin, and date reported stolen.

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The International Organization for Migration and counter-terrorism*

The International Organization for Migration (IOM) is mandated by its Constitution to deal primarily with migration issues. As such, therefore, it has only indirect involvement with the problem of international terrorism. Because of its cross-border dimensions, terrorism touches on a wide range of migration policy areas, particularly in regard to visas, border and entry management, residence, integration, ethnic affairs and citizenship. While immigration policy may not be central to counter-terrorism, it can be an important vehicle for better enforcement of the rule of law. However, this needs to be balanced by policies, legislation and practices that protect the rights of persons to be internationally mobile, assure socio-economic stability in countries of migrant origin, transit and destination, and protect the integrity of regular migration regimes.

IOM activities in migration management that relate to terrorism can be summed up as follows:

Stage A

Having legislation covering all aspects of Security Council resolution 1373 (2001), and a process in hand for becoming a party as soon as possible to the 12 international conventions and protocols relating to terrorism

Through its Capacity Building in Migration Management programmes, IOM provides technical assistance and advice to Governments in order to address simultaneously policy, legislative, regulatory, management and operational systems that can strengthen Governments' capacity to manage migration more effectively.

By means of these interventions, IOM collaborates with Governments to secure modern border management technology and higher-security travel documents, training for key border and law enforcement authorities, and to facilitate regional dialogue and cooperation. While not a standard-setting organization, IOM is informed about effective practices in the prevention of irregular migration and facilitation of regular movements and migrant settlement, including state-of-the-art systems for personal identification, registration, cross-checking and cooperation among law enforcement agencies at the border and elsewhere. It advises Governments and other agencies involved in migration management on best practices, also in the context of national and international security measures.

In the medium and long term, these varied interventions are expected to lead to increased facilitation of the free movement of people, while curbing irregular migration.

Actions taken in this area by IOM's member States vary widely. Some of these are reflected in the IOM paper "International Terrorism and Migration" submitted to the Counter-Terrorism Committee.

* The annexes to this report are on file with the Secretariat and are available for consultation.

Having in place effective machinery for preventing and suppressing terrorist financing

Not within IOM's mandate; therefore, no work in this area undertaken or envisaged.

IOM Contact Person: Charles Harns, Head, Technical Cooperation on Migration.

Stage B

Prevention of recruitment to terrorist groups, movement of terrorists, establishment of terrorism safe havens and any other forms of passive or active support for terrorists or terrorist groups

Again, IOM has no direct involvement in these aspects of counter-terrorism, but encourages social actions that inform and empower migrants, and foster the conditions for harmonious relations between natives and foreigners. It also facilitates intergovernmental cooperation on migration management, to ensure joint approaches to combating criminal and illicit forms of people movement; and equally importantly, to ensure that the root causes for antisocial and extremist behaviours are addressed in a comprehensive way, taking account also of the migration aspects.

Through its Mass Information awareness-raising campaigns, IOM informs migrants of the realities and legal procedures for migration, and offers them a realistic basis for decision-making. The information campaigns also assist Governments in making the migration process a more secure and orderly process. By offering migrants unbiased and up-to-date information, they protect the integrity and well-being of migrants, and make them less susceptible to recruitment by criminal or antisocial elements.

Another important goal of the IOM Mass Information initiatives is the support of migrants' integration into their host countries, thus reducing their alienation and exclusion, which could increase the possibility of their becoming sufficiently isolated and alienated to engage in antisocial activities, for example to be recruited into extremist/terrorist activities. Among other actions, this includes awareness-raising and education of the whole society to improve the perception of migrants and their contributions. It also includes orientation and training activities to enhance migrants' socio-economic integration, and advice on strategies for social and economic access and equality for migrants.

Contact Person: Laurentiu Ciobanica, Head of Mass Information and Campaigns.

Effective executive machinery (police intelligence structures to detect, monitor and apprehend those involved in terrorist activities and those supporting terrorist activities, customs, immigration and border controls to prevent the movement of terrorists and the establishment of safe havens, and controls preventing the access to weapons by terrorists)

An important aspect of the IOM Capacity Building in Migration Management programmes is to enhance national competencies in systematically analysing information technology requirements, assessing measures possible within existing legislative and financial capacities, and developing integrated ways of utilizing legislative and financial capacities, testing technological aids (e.g., biometrics) and sharing information among agencies and Governments.

IOM Contact Person: Charles Harns, Head, Technical Cooperation on Migration.

Stage C

Cooperation at bilateral, regional and international levels, including exchange of information

In close collaboration with interested Governments, IOM continuously facilitates regional information exchange and dialogue processes. Despite strong political will in many of the participant countries, there continues to be a high incidence of irregular border crossings. Increased technical assistance, while very helpful, is not in itself sufficient, hence the need for increased bilateral, subregional and regional dialogue, and increased dialogue with countries further afield on effective collaboration in tackling the problem, for the benefit of sending, transit and destination countries.

All these actions contribute to the creation of an environment that discourages the flourishing of cross-border movement that is irregular, illegal, or motivated by terrorist intent.

IOM Contact Person: Charles Harns, Head, Technical Cooperation on Migration.

Judicial cooperation between States and action on bringing terrorists and their supporters to justice

Not within IOM's mandate; therefore, no work in this area undertaken or envisaged.

Links between terrorism and other threats to security (arms, trafficking, drugs, organized crime, money-laundering and illegal movement of chemical, biological and nuclear weapons)

Not within IOM's mandate; therefore, no work in this area undertaken or envisaged.

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Concise report of the International Organization of la Francophonie

[Original: French]

The International Organization of la Francophonie has followed with interest and attention the developments that have occurred since the Security Council's adoption of resolutions 1368 (2001) and 1373 (2001).

The issue of combating terrorism was addressed by the heads of State and Government of French-speaking countries at the Ninth Summit of Francophonie, held in Beirut in October 2002. In the Political Declaration adopted by the Summit, the heads of State and Government of French-Speaking Countries stated the following:

> "We emphasize our concern in the face of continuing violence, the re-emergence of terrorism and the worsening of crises and conflicts of every kind. We are convinced that the dialogue of cultures constitutes a prerequisite for the search for peaceful solutions and will enable us to combat exclusion, intolerance and extremism.
>
> In accordance with the relevant United Nations resolutions, in particular Security Council resolution 1373 (2001), we strongly condemn any recourse to terrorism and emphasize the need for close cooperation among all States and Governments to prevent and counter this terrible phenomenon. We undertake to accede as soon as possible to all the international conventions against terrorism and to implement them. We call for the conclusion of a general convention on terrorism. At the same time, we must emphasize that all measures to combat terrorism must respect the fundamental principles of the Charter of the United Nations and the international human rights instruments, humanitarian law and refugee law."

La Francophonie runs a number of programmes in the area of legal and judicial cooperation which might be of use in combating international terrorism. These programmes seem to come under stages A and C as described in the Chairman's letter of 20 December 2002.

Stage A

In order to respond to developments in international law and to the increasing number of rules laid down at the international level, the Intergovernmental Agency of la Francophonie (AIF), the principal operator for the International Organization of la Francophonie, makes available to its member States the information and expertise needed to adapt their international legislation to the new international standards and encourages the establishment and functioning of tools and instruments for French-speaking legal and judicial cooperation. To that end, la Francophonie has put in place a programme on legal and judicial cooperation in French-speaking areas.

This programme is built around the following two priority areas:

Legal and judicial cooperation: Organization of or support for regional seminars bringing together representatives of the member States of la Francophonie

or French-speaking institutes, bodies and associations in order to help States adapt their internal legislation to the new international standards and to raise member States' awareness of the need to ratify the principal international legal instruments (Rome Treaty establishing the International Criminal Court and United Nations Convention against Transnational Organized Crime, in particular).

Support for professional networks: Establishment of new networks of legal professionals (registrars, judicial police) or jurisdictions and support for existing networks (judicial correspondents) with a view to establishing genuine centres for expertise and reflection among French speakers in this area.

Stage C

The establishment and strengthening of the rule of law is one of the priorities of the International Organization of la Francophonie. In this context, assistance is offered to member States that wish to implement a policy of modernization or reform of their legal system or that have identified a specific, urgent need in this area.

This programme, entitled "Support for the Modernization of Justice Systems" is structured around the following four areas:

Technical and logistic assistance for the member States concerned, in the form of expertise, provision of equipment, documentation assistance, and response to urgent ad hoc requests.

Legal training in the form of support for the holding of specialized and sectoral permanent training sessions at the regional level and for the design of permanent distance training modules.

Dissemination of the law, on the one hand, through the AIF database and legal web site (http://droit.francophonie.org), and on the other, through written materials and radio broadcasts and in electronic form.

Legal and judicial security of the economic environment: support for regional integration institutions (legal aspects of economic integration) and for the development of a legal environment for electronic commerce.

La Francophonie thus has a number of instruments that allow it to provide technical assistance in the legal and judicial areas to the States members that wish to receive it, with a view to helping them implement United Nations Security Council resolution 1373 (2001).

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A brief account of the activity of the League of Arab States in the field of combating terrorism*

I. Measures and steps taken in the field of combating terrorism on the Arab States level

In accordance with the executive measures which became effective on 1 January 2001 and constitute the mechanism of implementing the Arab Agreement on Combating Terrorism, which was signed in 1998 and entered into force in 1999, the Arab Bureau for criminal police, subordinate to the Council of Arab Ministers of Interior, prepared two reports for the years 2001/2002, including the measures adopted by some Arab States in both the security and judicial fields to prevent and combat terrorism, based on the data and information submitted by the Ministries of Justice and Interior in these States. The Bureau continues to communicate with the other Arab States to send their data.

The information submitted includes, inter alia, the following in particular:

- **In the field of security cooperation**

  Data on terrorist crimes committed, planned, or organized, in Arab States, the names of arrested persons, fugitives, their nationalities, the group to which they belong, the type of crime, in addition to the cooperation among Arab States in the field of exchanging information on the terrorist groups, such as activities, movements, organization, their crimes, names of leaders and individuals, their locations, training centres, sources of finance, and the manner in which they operate in terms of armament, types of arms, ammunition and explosives and other weapons and gear of attack used for assassination, destruction. Also, the information includes means of communication and propaganda utilized, movements of their leader and activists, and travel documents, such as passports, used. In addition to what has been stated above, the information lays out the measures taken to strengthen security safeguards to protect delegates, diplomats, consuls, vital facilities, means of transportation and mass transportation facilities, etc.

- **In the field of judicial cooperation**

  The Arab States received requests of extradition from other Arab countries. Most-wanted criminals were extradited, while other requests were declined for various reasons. Also, requests for legal assistance were initiated. A survey is currently being made to enumerate the cases of legal assistance, trials, evidence exchange in addition to measures of protecting witnesses and experts concluded, and other arrangements within the framework of legal cooperation between Arab States; in addition to follow-up on the status of Arab States' joining and ratifying the Arab Agreement on Combating Terrorism, which has been ratified by 16 Arab States to the present day. The remaining Arab States have declared that they are taking the necessary steps required for ratification.

* The annex to this report is on file with the Secretariat and is available for consultation.

This data is considered supplementary to the information provided by the Arab States in their reports, which were submitted to the Committee on Counter-Terrorism (CTC), in which they indicated the procedures they implemented in the judicial, legislative and security fields, in addition to the measures aimed at preventing and stopping the finance of terrorism.

Coordination and cooperation between the specialized Arab Ministerial Councils in the field of combating terrorism

In an implementation of the Council of LAS at the summit level No. 231 dated 28 March 2002, a joint technical committee stemming from the Council of Arab Ministers of Justice and Interior was formed to consider the possibility of adding the actions of instigation, commending terrorist actions, printing, publishing, and distributing terrorist-related publications, collecting money in the name of charity societies for the benefit of terrorism, and gaining and using properties for terrorist purposes, to the list of crimes stated in the Arab Agreement on Combating Terrorism.

After the joint meeting of the Council of Arab Ministers of Interior and Justice held in 1998 in which the Arab Agreement on Combating Terrorism was signed, the Councils of Arab Information and Interior Ministers held a joint meeting in Tunisia in January 2003 to coordinate their efforts in the field of security-oriented and targeted media and enhancing the role of media in the field of preventing and combating crimes, especially terrorist crimes, and promoting the awareness of the public of the dangers of the terrorism phenomenon.

Seminars and conferences

The League of Arab States held seminars on terrorism, money-laundering and the United Nations Convention against Transnational Organized Crime. It also participated in a number of national, regional and international seminars and conferences on terrorism and organized crime.

II. Cooperation at the regional and international levels

At the regional level

A number of Arab States signed or ratified both the Islamic Conference Organization, and the African Union agreements on Combating Terrorism. It is worth mentioning that the Arab States are participating effectively in the activities of both organizations in combating terrorism.

At the international level

The Secretary-General of LAS formed a team of Arab experts to study Security Council resolution 1373 (2001). The team held its first meeting in Cairo on 13 and 14 January 2002, and issued a report and recommendations, which were later adopted by the League Council at the ministerial and summit levels. The team held its second meeting in Cairo during the period from 5 to 8 January 2003, at which it issued a report and recommendations that will be submitted to the League Council in its next session.

Within this framework, the complete responsiveness and compliance of the Arab States to resolution 1373 (2001) was noted. Also, the team reviewed some of the difficulties and negative effects resulting from the implementation of the Security Council resolution, and the means of overcoming them. Moreover, the team recommended the support of the Liaison Point established in LAS which is the Legal Department, to follow up and coordinate with the CTC.

The Arab States participate effectively and actively in supporting the efforts of the international community to eliminate terrorism. They have acceded or are taking steps to accede to international conventions relating to the suppression of international terrorism, and aspire to strengthen its cooperation with the other countries in the world in regard to the procedures and measures aimed at pursuing, arresting, extraditing and bringing terrorists to justice.

Also, the Arab States seek the mobilization of more international support within the framework of the United Nations to hold an international conference to examine this serious phenomenon, and expedite the preparation of a comprehensive international agreement on combating terrorism, which includes the definition of terrorism and State terrorism, and which enjoys consensus, while emphasizing the importance of distinguishing between terrorism and the legitimate struggle of nations against foreign occupation.

III. Scheduled additional plans

The Arab experts committee (justice and interior) shall continue their preparations of an Arab agreement for combating Arab-transnational organized crime. Within the same framework, upon an initiative of the Italian Minister of Justice, the Arab Ministers for Justice and Interior have been invited to attend an Arab Regional Conference on the United Nations Agreement for Combating Organized Crime, which is scheduled to be held in Syracuse (Italy) during March 2003, hosted by the International Institute of Higher Studies in Criminal Science.

An Arab Legal Network is currently being established within the framework of the LAS to provide an easy, quick and developed tool for communicating and exchanging information and experiences between Arab States in both the legal and judicial fields. Such network will help development of legislation and judicial bodies and enhance their cooperation and consolidate their efforts in the field of preventing and combating crimes in general and terrorist crimes in particular.

Joint meetings between the secretariats of the Councils of Arab Ministers of Justice and Interior are scheduled to develop executive plans for the resolutions issued by both Councils in order to enhance and strengthen Arab cooperation in security and judicial fields, specially in the fields of combating terrorism and organized crime. Within the same framework, holding of periodic conferences for key technical personnel in the field of counter-terrorism to support combating

terrorism in the Arab countries under the auspices of the Council of Arab Ministers of Interior will continue with the participation of the Technical Secretariat of the Council of Arab Ministers of justice.

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Brief note on the role of the Organization of the Islamic Conference in the fight against, and the prevention of, international terrorism

The Organization of the Islamic Conference (OIC) has, for a long time, strongly condemned terrorism and the real dangers it represents. Indeed, terrorism is considered to be at variance with the teachings of Islam, a religion that preaches tolerance, non-violence and opposes strongly all forms of aggression, particularly any breach of human life. It does this without any distinction on the basis of colour, religion or race.

In December 1994 during the Seventh Islamic Summit Conference, held in Casablanca, Morocco, the OIC adopted the Code of Conduct for Combating International Terrorism, while emphasizing the distinction that has to be made between terrorism and the legal rights of people to fight for their national liberation and independence.

Also, in July 1999, the twenty-sixth session of the Islamic Conference of Foreign Ministers, held in Ouagadougou, Burkina Faso, adopted the OIC Convention on Combating International Terrorism. This Convention established the basis of the policy to be implemented and the measures to be taken by member States to fight terrorism.

In this context, the OIC maintains a clear position against terrorism and reiterates its readiness to cooperate with other regional and international organizations, in particular the United Nations, in the fight against, and the prevention of, international terrorism.

It is worth mentioning that the twenty-eighth session of the Islamic Conference of Foreign Ministers, held in June 2001 (three months before the 11 September events) in Bamako, Mali, reiterated, in particular, the following points:

- Respect and implementation of the clauses of the OIC Convention on Combating International Terrorism;
- Coordination of the member States' efforts with those of the international community to fight all forms of terrorism, with particular emphasis on "State terrorism";
- Call, once again, for the convening of an international conference on terrorism under the auspices of the United Nations;
- Strong insistence on the need to make a clear distinction between terrorism and the rights of people to resist foreign occupation.

Following the terrorist attacks perpetrated against the United States of America on 11 September 2001, the OIC strongly condemned these acts and declared them as contrary to ethical and human values in general, and in particular to all principles of Islam, in particular, which commends peace, equality, tolerance, and friendship between all peoples.

Due to the gravity of the situation, an extraordinary session of the Islamic Conference of Foreign Ministers was held in October 2001 in Doha, State of Qatar, during which the participants reaffirmed in the final declaration their steadfastness in condemning terrorism and considering it as contrary to the noble values and

principles of Islam. They also called for the holding of an international conference to define terrorism and to prepare a plan of action to fight it.

In this context, the Annual Coordination Meeting of the OIC Ministers of Foreign Affairs, held on 15 November 2001 at United Nations Headquarters in New York, during the General Assembly session, was devoted mainly to the issue of terrorism. That Meeting reiterated its strong condemnation of the 11 September attacks and commended the need for holding an international conference under the auspices of the United Nations to define terrorism.

Furthermore, a special session of the Islamic Conference of Foreign Ministers on terrorism was held in Kuala Lumpur, Malaysia, in April 2002. The session, which adopted the Kuala Lumpur Declaration on International Terrorism, reflected the clear stand of OIC member States against all forms of terrorism, and called, once again, for coordinated international action under the auspices of the United Nations to combat this phenomenon. The Declaration reaffirmed the commitment of the member States to continue to work with other countries and support efforts of the international community in combating international terrorism undertaken under the auspices of the United Nations in a transparent and impartial manner and in conformity with the principles of the Charter of the United Nations, international law and relevant international conventions and instruments. These include implementing relevant Security Council resolutions, particularly resolution 1373 (2001), as well as expediting their accession to or ratification of relevant international conventions and protocols relating to terrorism.

The Declaration also emphasized the importance of finding solutions to the causes of international terrorism, including foreign occupation, injustice, alienation, poverty and the wide gap existing between the poor and the rich.

During that session, a 13-member open-ended OIC Ministerial Committee on International Terrorism, chaired by Malaysia, was established.

This Committee is entrusted with the implementation of the texts and international conventions, which govern the fight against terrorism, as well as with giving a better understanding of Islam and its noble principles. Its objectives are to endeavour to safeguard and protect Muslim people against all manifestations of xenophobia, and to protect innocent people against all prejudice resulting from preventive measures aimed at fighting terrorism.

This Committee will meet at Algiers on 31 March 2003, at the level of experts, to adopt its Plan of Action.

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Summary of the activities and experiences of the Organization for Security and Cooperation in Europe in the area of counter-terrorism

Introduction

The Organization for Security and Cooperation in Europe (OSCE) has set up the Action against Terrorism Unit, in the Office of the Secretary-General, as a permanent structure to enhance and strengthen OSCE activities aimed at preventing and combating terrorism. Activities within the three stages are addressed through monthly anti-terrorism task force meetings with the participation of representatives of several OSCE bodies, institutions and, when relevant, field operations. Contact points for activities within all three stages are:

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Stage A

The plan of Action for Combating Terrorism, adopted by the Ministerial Council in Bucharest in 2001, commits participating States to become parties to all the 12 United Nations conventions and protocols relating to terrorism by 31 December 2002, if possible. The Action against Terrorism Unit regularly reviews this process to inform the participating States and the OSCE bodies and institutions of the status of progress, and to devise approaches to facilitate the participating States to implement this commitment. During the period between September 2001 and November 2002, the participation rose by 11 per cent, and out of the 55 participating States, 17 (i.e., 31 per cent) were parties to all of the 12 treaties, while the majority of the participating States, 31 of them (i.e., 56 per cent), were parties to 10 or more treaties. Since then, the progress has continued, and will be reported on in the near future.

The OSCE's Office for Democratic Institutions and Human Rights is mandated to provide technical assistance, upon request, to participating States in the area of drafting counter-terrorism legislation and assistance in implementing the 12 United Nations conventions and protocols related to terrorism. In cooperation with the Action against Terrorism Unit, a programme has been initiated to provide technical assistance to States in the Caucasus and Central Asia regions. The programme has been developed with the assistance of the United Nations Office on Drugs and Crime (UNODC) and the Commonwealth Secretariat (ComSec), based on the OSCE's regional experience and the programmes already developed by UNODC and ComSec. In particular, the Office for Democratic Institutions and Human Rights has translated into Russian the explanatory materials on legislative implementation for use by the participating States in the Caucasus and Central Asia, and is working on adapting the ComSec's implementation kits for use in the Russian language. More

concretely, the Office for Democratic Institutions and Human Rights has organized, with the assistance of the Action against Terrorism Unit, the Foreign and Commonwealth Office of the United Kingdom, and with the participation of experts from UNODC, a technical assistance seminar for the Central Asian States to be held in London on 10-11 February 2003. Delegates from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan will attend the seminar on technical assistance in the implementation of United Nations Security Council resolution 1373 (2001). The seminar will be followed up with the provision of expert advice and assistance to the Central Asian capitals in March and April 2003. It is anticipated that a similar programme will be offered to Georgia, Armenia and Azerbaijan in the second half of the year.

Concerning activities aimed at preventing and suppressing the financing of terrorism, the OSCE Permanent Council decided in July 2002 that the OSCE participating States will complete the Financial Action Task Force's (FATF) self-assessment questionnaire of compliance with the eight special recommendations on terrorist financing, and provide the results to the FATF no later than 1 September 2002. In addition, the United Nations Global Programme against Money Laundering and the OSCE Office of the Coordinator of Economic and Environmental Activities jointly conducted two national workshops on combating money-laundering and suppressing the financing of terrorism in Kyrgyzstan and Kazakhstan in September and October 2002. In both cases recommendations were elaborated and channelled to the relevant governmental agencies in each country. the recommendations include the ratification and implementation of the United Nations International Convention for the Suppression of the Financing of Terrorism, as well as the International Convention against Transnational Organized Crime; the establishment of a Financial Investigation Unit; and the enactment of legislation on combating money-laundering in compliance with international standards. The UNODC and the OSCE stand ready to replicate the workshops in cooperation with other interested OSCE participating States and to assist the host countries in the follow-up implementation and capacity-building activities.

Stage B

Fighting terrorism is an important aspect of the OSCE's law enforcement activities to assist participating States to strengthen their executive machinery. Law enforcement activities of the OSCE Strategic Police Matters Unit and several field operations will enhance the capacity of States to detect or counter extremist activity, as well as to reduce the pools of young people from which terrorists seek new recruits.

Border issues have an increased focus within the organization, which is reflected in the establishment by the OSCE Conflict Prevention Centre of a new position for a Border Issues Coordination Officer. During the previous year, the Conflict Prevention Centre responded to a request for assistance from Uzbekistan to train the personnel at the Termez crossing point on the Afghan border. The project, part of a United Nations-led programme, established concrete cooperation with the national officials, and several follow-up activities are being planned. In addition to the Conflict Prevention Centre activity, the Strategic Police Matters Unit also conducted a border management fact-finding mission to Tajikistan, in order to develop an assistance programme with a view to assisting the State Border Protection Committee in the long term to move towards an efficient, democratic and

integrated border police management system. In addition, the Action against Terrorism Unit and the Strategic Police Matters Unit are jointly planning training seminars on fraudulent and counterfeit travel and identity documents to be offered to all participating States.

Stage C

The OSCE increasingly facilitates exchange of information related to counter-terrorism among the participating States within its Forum for Security Cooperation. To this effect, the Forum has recently expanded the range of questions relevant to terrorism in the code of conduct questionnaire.

The "Expert meeting on combating terrorism within the politico-military dimension of the OSCE" was held under the auspices of the OSCE Forum for Security Cooperation on 14-15 May 2002. Among others, representatives of the United Nations Office for Drug Control and Crime Prevention and the North Atlantic Treaty Organization took part in the meeting, which considered the threat of terrorism in the OSCE area, action taken, and instruments available and recommendations to deal with the issue.

On 12 June 2002, the OSCE Chairmanship organized and hosted the "High-Level Meeting on the Prevention and Combat of Terrorism", in Lisbon. The meeting convened high-level representatives of the OSCE's main international partners in the fight against terrorism, including the United Nations Counter-Terrorism Committee, NATO, the European Union, the Council of Europe, and others.

As a follow-up to the Lisbon meeting and in accordance with the OSCE principal documents, the Secretary-General convened a meeting of regional and subregional organizations and initiatives in the OSCE area on 6 September 2002 in Vienna. The purpose of the meeting was to exchange information on current and possible future activities and projects that regional and subregional organizations and initiatives carry out or plan to undertake in the area of preventing and combating terrorism. Also, the meeting aimed to identify modalities and areas of further future cooperation and better coordination of efforts among OSCE and other regional and subregional organizations and initiatives.

Any other relevant information

The fight against terrorism was high on the agenda of the Tenth OSCE Ministerial Council held in Porto in December 2002. The Ministerial Council decided in Decision No. 1 on implementing the OSCE commitments and activities on combating terrorism that the OSCE participating States, bodies and institutions will intensify their efforts and their collective commitment to combat terrorism. In addition, the Council adopted the OSCE Charter on Preventing and Combating Terrorism. With the adoption of the Charter, the OSCE and its participating States have reiterated the core principles that guide the organization's actions in the fight against terrorism.

Summary of action by the Organization of American States Inter-American Committee against Terrorism with respect to Security Council resolution 1373 (2001)*

Stage A: legislation and terrorist-financing measures

The member States of the Organization of American States (OAS) adopted the Inter-American Convention against Terrorism at the thirty-second session of the OAS General Assembly in Bridgetown, Barbados, on 3 June 2002. The Convention has now been signed by 33 of the 34 member States. Canada and Antigua and Barbuda have ratified the Convention. It will enter into force when six member States have ratified it. Article 2 of the Convention invokes the 12 United Nations conventions and protocols related to international terrorism to define the offences under the OAS Convention. It requires member States to adopt the United Nations treaties. This Convention serves as the primary legal tool for fighting terrorism at the hemispheric level. The Inter-American Committee against Terrorism (CICTE) secretariat is working with member and permanent observer States to provide the appropriate legislative tools to implement the treaty. This process includes the exchange of example and model legislation, use of an online reference database and participation in a legislative development project with the OAS Unit for the Promotion of Democracy in Central America. CICTE is also examining opportunities to cooperate with the United Nations Centre for International Crime Prevention/Office on Drugs and Crime projects in Haiti and Central America.

Specific action regarding terrorist financing includes secretariat participation in efforts of the OAS Inter-American Drug Abuse Control Commission (CICAD) Money-Laundering Group of Experts to amend the CICAD model regulations on money-laundering to include information specific to terrorist-financing activities. At CICTE's suggestion, the model regulations were modified to include verbatim the eight special recommendations of the Financial Action Task Force (FATF) and to include terrorist financing as a specific offence within the regulations. CICAD formally adopted the change in December 2002.

CICTE has applied the formal observer status with FATF. Action on this request is expected in February 2003. CICTE coordinates closely with the Caribbean Financial Action Task Force and the Financial Action Group for South America, regional FATF-style bodies. The CICTE secretariat is planning joint training projects with CICAD for financial investigators.

The CICTE work plan contains further information on actions recommended to the member States on financial controls. Additionally, the CICTE secretariat follows up with member States on the status of the resolutions via reports, consultations and self-evaluation checklists.

Point of contact: Steven Monblatt or Kevin Newmeyer

Stage B: strengthening of member State machinery to implement resolution 1373 (2001)

The work envisioned in stage B is primarily included in the CICTE work plan. The work plan outlines detailed actions to be taken by the member States and the

* The annexes to this report are on file with the Secretariat and are available for consultation.

CICTE secretariat to improve information-sharing and cooperation on a number of aspects of counter-terrorism. The extensive document contains specific actions to be undertaken regarding improvements in border controls, including customs control, travel document security and cooperation measures.

Member States' performance is reported to the secretariat and at the annual regular sessions of CICTE. The most recent session was held in San Salvador, El Salvador, from 22 to 24 January 2003. A comprehensive report on that meeting will be forwarded to the Security Council Counter-Terrorism Committee upon its completion.

With specific regard to control of weapons and small arms, the Inter-American Convention against Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials holds an annual meeting of its consultative committee to review actions under the treaty.

Point of contact: Steven Monblatt or Kevin Newmeyer

Stage C: furthering international cooperation

CICTE in itself constitutes a hemispheric information-exchange body focused on terrorism issues. This framework supports extensive bilateral and subregional cooperation. CICTE holds annual regular sessions, with this year's recent session in El Salvador to be followed by the fourth regular session in Uruguay in early 2004. The Committee is made up of the principal counter-terrorism representatives of the member States, and a small secretariat staff at OAS headquarters in Washington, D.C. supports it. The secretariat assists the member States in executing the Committee's work plan and conducting liaison with other international organizations.

The OAS Convention against Terrorism contains specific articles designed to encourage mutual legal assistance and eliminate illicit recourse to asylum and refuge as a bar to extradition for individuals suspected of violating the 12 United Nations conventions relating to terrorism.

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Other related activities

The Declaration of San Salvador provides the most recent expression of political will on behalf of the OAS member States regarding international cooperation against terrorism. OAS remains committed to strengthening the efforts of both the member States and the CICTE secretariat.

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II. Other relevant organizations and bodies

Report of the secretariat of the Asia-Pacific Economic Cooperation forum (APEC) on counter-terrorism activities undertaken by APEC

Background

In response to the terrorist attacks of 11 September 2001 on the United States of America, in October 2001 APEC Leaders committed to prevent and suppress all forms of terrorist acts in the future in accordance with the Charter of the United Nations and other international instruments, pledged to implement Security Council resolutions 1368 (2001) and 1373 (2001), strongly supported all efforts to strengthen the international anti-terrorism regime and called for increased cooperation to bring the perpetrators to justice.

APEC's mandate is limited to the economic fallout from terrorism and ensuring a stable environment for trade, investment, travel and tourism.

Stage A

Suppression of terrorist financing

In October 2002 APEC Leaders endorsed the APEC Action Plan on the Financing of Terrorism. Each of the relevant members of APEC has signed and ratified — or is proceeding to ratify immediately — the International Convention for the Suppression of the Financing of Terrorism.

The APEC Action Plan on Combating the Financing of Terrorism represents a comprehensive approach to preventing the funding of terrorism and includes the following action elements:

- Cutting off access of terrorists to the international financial system by APEC economies agreeing to freeze the assets of terrorists and their supporters without delay, and preventing them from accessing the international financial system;
- Implementation of international agreements and standards, in particular the relevant Security Council resolutions, the United Nations Convention for the Suppression of the Financing of Terrorism;
- Oversight of alternative remittance systems and non-profit organizations by identifying the economic, structural and regulatory factors in the formal financial sector that encourage the use of alternative remittance systems;
- Law enforcement actions and information-sharing, i.e., each APEC economy commits to criminalize the financing of terrorism, to increase efforts to investigate and prosecute money launderers and terrorist financiers and to establish a financial intelligence unit (FIU) and take steps to enhance information-sharing with other FIUs;
- Technical assistance, i.e., APEC economies commit to collaborate in the provision of technical assistance to economies worldwide that need help in developing and implementing necessary policies, laws, regulations and institutions to combat terrorist financing and money-laundering;

- Expanding efforts, including through intensifying efforts to deprive terrorist financiers access to the financial system by ensuring the ability of financial institutions to identify their customers.

The APEC Bank Supervisors Training initiative will train financial regulators and supervisors in basic anti-money-laundering concepts.

Stage B

Border security

Advance Passenger Information systems (API), aimed at enhancing border security while facilitating faster processing of legitimate passengers, are being promoted in APEC, including through an agreed Pathfinder initiative. Feasibility studies to implement API are under way in Thailand, the Philippines and Indonesia.

APEC's Informal Experts Group on Business Mobility is also strengthening the capacity of APEC economies to deal with border security issues through the implementation of several projects covering: document examination and fraud detection training; standards in travel document security and related issuance systems; and standard codes of professional conduct and service for immigration officers.

Enhanced aviation and maritime security

The 3rd APEC Transportation Ministers Meeting, in May 2002 in Lima, Peru, agreed to:

- Support the actions and initiatives undertaken by ICAO and IMO in aviation and maritime security;
- Endorse efforts to strengthen and harmonize the aviation security framework and promote international cooperation among appropriate entities for the suppression of piracy and armed robbery;
- Cooperate to improve aviation safety and security oversight capabilities in the region by assisting APEC economies to meet international safety standards and ensure that official aviation personnel are properly trained and have the necessary resources to carry out their aviation responsibilities.

The APEC Transportation Working Group (TPT) will hold a conference to promote 100 per cent baggage screening and will conduct a survey of the training requirements and capabilities of personnel involved in aviation and maritime security tasks, including development of a training database. The TPT is also working on:

- A security conference on piracy and marine counter-terrorism (March 2003)
- Assessments on the current state of cargo security and best practice and of the current state of hazardous materials handling and transportation and best practices
- Development of standards for detection equipment and other security technology
- A study of transportation security communications systems

- The design of a programme for air marshal and cabin crew security procedures training.

In October 2002, APEC Leaders agreed to implement the Secure Trade in the APEC Region (STAR) initiative to protect key Pacific Rim infrastructure in the areas of trade, finance and information systems. The STAR initiative seeks to protect cargo by:

(a) Establishing a container security regime to identify and examine high risk containers; implementing the common standards for World Customs Organization electronic reporting and promoting supply chain security;

(b) Protecting ships engaged in international voyages;

(c) Protecting international aviation;

(d) Protecting people in transit.

A workshop to begin implementing the STAR initiative is to be held in Bangkok from 23 to 25 February 2003.

Energy security

The APEC Energy Security Initiative seeks to address disruptions in energy markets and enhance anti-piracy cooperation. A sea lane oil disruption simulation exercise was conducted by APEC economies on 18-19 April 2002. The Energy Working Group is also establishing a network of APEC economies to share real-time information during oil supply emergency situations.

Critical sector protection

The fifth APEC Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 5), in May 2002 in Shanghai, issued a Statement on the Security of Information and Communications Infrastructures. The Statement supports implementation domestically of the 10 measures included in General Assembly resolution 55/63 on combating the criminal misuse of information, taking into account international initiatives in this area, and further instructs the Telecommunications and Information Working Group to give special priority to and facilitate work within APEC on the protection of information and communications infrastructures.

Implementation of the first phase of a multi-phase Terrorism Crisis Management Exercise is under way. The project is aimed at increasing the capacity of APEC members to survive and recover from terrorist attacks by building a set of risk management decision support tools and procedures for standard evaluation and mitigation of the consequences.

An electronic dialogue between APEC scientists is under way to explore areas of counter-terrorism cooperation, including special event surveillance, food safety, opportunities related to electronic networking and Early Warning Outbreak Response Systems (EWORS). In January 2002 in Seattle, APEC scientists agreed to form an association of disease surveillance networks (a "network of networks").

Cybersecurity

In October 2002 APEC Leaders called on members to enact laws consistent with General Assembly resolution 55/63 and the Convention on Cybercrime (2001), to identify national cybercrime units and to establish Computer Emergency Response Teams by October 2003. The implementation of the Cybersecurity Strategy will be an important agenda item for APEC's Telecommunication and Information Working Group meeting to be held from 24 to 28 March 2003.

Capacity-building

APEC Leaders committed to work cooperatively to build on the considerable counter-terrorism-related training and other assistance being undertaken in the APEC region. They encouraged APEC members, international financial institutions and the private sector to contribute to efforts to build counter-terrorism capacity in APEC economies.

APEC Senior Officials are also considering a proposal for a Counter-terrorism Action Plan that will provide details of counter-terrorism measures being implemented by each APEC economy in 2003, measures planned for future years, capacity-building needs and available counter-terrorism expertise. Subject to the agreement of APEC Senior Officials in February, economies will be asked to report against the following headings: signing, ratifying and fully implementing anti-terrorist instruments as called for in Security Council resolutions 1373 (2001) and 1390 (2002); preventing the flow of funds to terrorists, including establishing a financial intelligence unit in each member economy; contributing to international cooperation in combating terrorism, domestic counter-terrorism measures; enhancing the capacity of customs authorities; advance passenger processing; strengthened aviation security; strengthened transportation security; strengthening port security; strengthening maritime security; strengthened energy security; strengthened cybersecurity; strengthening health security; and strengthening tourism security.

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Efforts by the Association of South-East Asian Nations to counter terrorism

Introduction

The leaders of the Association of South-East Asian Nations, at their seventh Summit on 5 November 2001 in Brunei Darussalam, adopted the 2001 ASEAN Declaration on Joint Action to Counter Terrorism. The ASEAN leaders viewed terrorism as a profound threat to international peace and security and a direct challenge to the attainment of peace, progress and prosperity of ASEAN and the realization of ASEAN Vision 2020. They expressed a commitment to combat terrorism in accordance with the Charter of the United Nations, other international laws and relevant United Nations resolutions. They also stated that cooperative efforts in this regard should consider joint practical counter-terrorism measures in line with specific circumstances in the region and in each member country.

In addition, they identified specific measures for the Association of South-East Asian Nations to undertake to implement the Declaration, namely:

- Review and strengthen national mechanisms to combat terrorism
- Call for the early signing and ratification of or accession to all relevant anti-terrorist conventions, including the International Convention for the Suppression of the Financing of Terrorism
- Deepen cooperation among ASEAN's front-line law enforcement agencies in combating terrorism and sharing "best practices"
- Study relevant international conventions on terrorism with a view to integrating them with ASEAN mechanisms on combating international terrorism
- Enhance information/intelligence exchange to facilitate the flow of information, in particular, on terrorists and terrorist organizations, their movement and funding, and any other information needed to protect lives, property and the security of all modes of travel
- Strengthen existing cooperation and coordination between the ASEAN Ministerial Meeting on Transnational Crime (AMMTC) and other relevant ASEAN bodies in countering, preventing and suppressing all forms of terrorist acts. Particular attention would be paid to finding ways to combat terrorist organizations and their support infrastructure and funding, and to bringing the perpetrators to justice
- Develop regional capacity-building programmes to enhance existing capabilities of ASEAN member countries to investigate, detect, monitor and report on terrorist acts
- Discuss and explore practical ideas and initiatives to increase ASEAN's role in and involvement with the international community, including extra-regional partners within existing frameworks such as ASEAN plus Three, the ASEAN dialogue partners and the ASEAN regional forum (ARF), to make the fight against terrorism a truly regional and global endeavour

- Strengthen cooperation at the bilateral, regional and international levels in combating terrorism in a comprehensive manner and affirm that at the international level the United Nations should play a major role in this regard

The specific measures outlined in the Declaration have been incorporated in the terrorism component of the Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime adopted in May 2002. The Work Programme is based on six strategic principles, namely:

- information exchange
- cooperation in legal matters
- cooperation in law enforcement matters
- institutional capacity-building
- training
- extra-regional cooperation

ASEAN is also carrying out training programmes and projects in counter-terrorism in 2003, including courses on psychological operations/psychological warfare for law enforcement authorities and on intelligence procuring. Courses on bomb and explosive detection, post-blast investigation, airport security and passport/document security and inspection are also planned. ASEAN focal points on counter-terrorism have also been established.

Stage A

Several ASEAN member countries have already become a party to some of the 12 international conventions and protocols relating to terrorism. In the Work Programme, ASEAN member countries are also encouraged in the early signing or ratification of or accession to all relevant anti-terrorist conventions, including the International Convention for the Suppression of the Financing of Terrorism.

As part of the terrorism component of the ASEAN Work Programme, ASEAN member countries are now working towards the establishment of a regional database for disseminating information on the national laws, regulations, bilateral and multilateral treaties or agreements of respective countries.

The terrorism component, in addressing the issue of prevention and suppression of terrorist financing, calls for the enhancement of information or intelligence exchange to facilitate the flow of information, in particular, on terrorists and terrorist organizations, their movement and funding, and any other information needed to protect lives, property and the security of all modes of travel.

Stage B

The Annual Conference of ASEAN Chiefs of Police (ASEANAPOL), held in May 2002, called for joint cooperation among the members in fighting terrorism. ASEAN chiefs of police are committed to developing capacity-building initiatives to ensure that each member has the capacity to effectively monitor, share information on and combat all forms of terrorist activities. They also agreed to enhance cooperation among law enforcement agencies through the sharing of experiences on

counter-terrorism and the exchange of information on suspected terrorists, organizations and their modus operandi.

In addition, ASEAN immigration authorities have made a commitment to assist and coordinate with the other ASEAN law enforcement authorities to prevent movement of terrorists or cross-border terrorism by working towards the establishment of intelligence units in the respective agencies on the issues of trafficking in persons, human smuggling and terrorism. Authorities have also set up an ASEAN focal point directory for immediate use by ASEAN's immigration authorities in exchanging information.

Stage C

In May 2002, the Governments of Indonesia, Malaysia and the Philippines signed the Agreement on Information Exchange and Establishment of Communication Procedures, a cooperative measure to combat transnational crime, including terrorism. Thailand and Cambodia have also acceded to the Agreement.

Senior officials of the Association of South-East Asian Nations are also looking at the possibility of a regional convention to combat terrorism. In addition, several member countries within ASEAN are looking at a regional mutual legal assistance agreement.

In terms of information exchange, the Work Programme has put in place a comprehensive information exchange mechanism to facilitate sharing of information and analysis of critical intelligence information such as "modus operandi" and offences involving terrorist activities. ASEAN is taking a comprehensive and coordinated approach in tackling the various areas of transnational crime that have links to terrorism, as the Work Programme also has components on trafficking in small arms, illegal drug trafficking and money-laundering.

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Work of the Basel Committee on combating financing of terrorism

Central banks and supervisors are contributing actively to the global fight against terrorism by seeking to deny access by those engaged in the financing and pursuit of terrorism to the financial system. Further, they are lending continuous support to those agencies directly involved in investigation/enforcement actions, such as treasuries, judicial authorities and law enforcement agencies, in the suppression of terrorism.

A key element in combating terrorist financing is the establishment of an effective customer due diligence programme by financial institutions. Knowing who their customers are is a prerequisite for the identification of accounts related to terrorism. The Basel Committee, in its *Customer due diligence for banks* paper in October 2001 issued prudential guidance in this area for banks. Adequate due diligence on new and existing customers, including beneficial owners, is a key element. Banks must develop policies and procedures in areas such as customer acceptance, customer identification, ongoing transactions monitoring and risk management. These principles need to be applied by each institution on a global basis. The enforcement of measures contained in the *Customer due diligence* paper will make it harder to disguise the ownership of bank accounts. A further document to be circulated in January 2003 to bank supervisors around the world sets out more detailed guidance on customer identification procedures.

In October 2002, recommendations in the *Customer due diligence* paper were incorporated into the Financial Action Task Force's (FATF) *Methodology for Assessing Compliance with Anti-Money Laundering and Combating the Financing of Terrorism Standards*. This methodology document is now the uniform basis, used by the FATF, the International Monetary Fund and World Bank, for assessing the implementation of anti-money-laundering and combating terrorist financing measures in all countries.

A critical element in combating terrorism is the ability to track terrorist assets and financial transactions. This requires access to financial records by competent authorities. Information-sharing arrangements should exist to ensure that, in circumstances where the financing of terrorism is suspected, there are formal procedures to notify and give full assistance to the relevant law enforcement agencies, as well as ensuring that the relevant bank supervisors are informed. Supervisors and financial institutions that have shared such information need to be protected from actions under civil liability and privacy legislation. These principles were set out in the document *Sharing of financial records between jurisdictions in connection with the fight against terrorist financing* issued by the Basel Committee in April 2002.

At the International Conference of Banking Supervisors in September 2002, the Basel Committee obtained from banking supervisors in 120 countries their endorsement of the standards set out in the *Customer due diligence* paper and their commitment to fight the funding of terrorist activities. Participants at the conference undertook, within the confines of applicable laws and regulations, to give full assistance to other supervisors and law enforcement agencies in the suppression of terrorist financing and agreed that banking secrecy should not be an impediment to the sharing of such information. The resulting press communiqué encouraged information-sharing either directly or through the network of financial intelligence units.

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Summary of the activities of the Caribbean Development Bank on the implementation of Security Council resolution 1373 (2001) and on counter-terrorism

Stage A

The operations of the Caribbean Development Bank (CDB) provide principally for the financing of specific projects, whether forming part of national, subregional or regional development programmes. Loans are provided direct to the Governments of its regional member countries, to any of their agencies and to both public and private enterprises operating within such countries, as well as to international or regional agencies.

There are currently no codes, standards or recommendations specific to best practice in preventing and suppressing terrorist financing.

However, CDB's procedures include components of an effective customer due diligence programme. In processing the application, CDB deals only with the applicant or authorized representative thereby ensuring a thorough customer acceptance and identification practice. CDB pays regard to the fact that funds are processed through banking intermediaries which are governed by the respective Central Bank and Money Laundering Acts. In the securing of its funds, CDB deals directly with reputable brokers and bankers in the private placement market and relies on their due diligence efforts. Primary responsibility for the procurement of goods and services rests with the recipients of financing from the Bank. In this respect, CDB monitors all procurement procedures to ensure transparency and prohibit corrupt practices. This includes the ongoing monitoring of the disbursement of funds that ensures that the proceeds of loans, investments or other financing by CDB are applied as intended.

Contact point: Dr. Warren Smith, Director, Corporate Services and Planning
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Stage B

CDB will consider financing projects that will put in place: (a) police and intelligence structures to detect, monitor and apprehend those involved in terrorist activities and those supporting terrorist activities; (b) customs, immigration and border controls to prevent the movement of terrorists and the establishment of safe havens; and (c) controls preventing access to weapons by terrorists. To date, assistance related to these areas has covered the following:

Loan No.: 6 /OR-ANT: Airport and Security Enhancement Project — Antigua and Barbuda — 2002

A loan in the amount not exceeding the equivalent of US$ 3.3 million to the Government of Antigua to improve physical security infrastructure, security screening equipment and level of training of security personnel at the VC Bird International Airport and St. John's Deep Water Harbour/Heritage Quay to levels that meet or exceed the requirement of the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) standards.

Technical Assistance — Consultancy Services to Undertake a Study on Drug Control Policy for the Caribbean and Policy Relating to Criminal Deportees — 2002

Grant in the amount of US$ 150,000 to CARICOM to assist countries in the region to determine appropriate policy options and response strategies on illegal drugs and criminal deportees.

Multilateral Investment Fund (MIF) — Inter-American Development Bank (IDB)

CDB has been designated as an agent of MIF and in this capacity prepares projects for member countries of the Organization of Eastern Caribbean States (OECS) which are not members of the IDB. During 2002, CDB prepared a proposal detailing the airport security requirements of the OECS for consideration by the MIF. The project envisages activities grouped into three components that would include regulatory reform, aviation security and related equipment. The request was for a grant in the amount of US$ 394,000.

Pipeline projects include proposals to upgrade and fully computerize customs data systems using UNCTAD's Automated System for Customs Data (ASYCUDA). This will permit compatibility of all trade statistics data systems and facilitate exchange of information.

Contact point: Mr. Desmond Brunton, Vice President, Operations.

Stage C

Technical Assistance — Consultancy for Developing a Plan for Promoting the Financial Independence and Sustainability of the Proposed Caribbean Court of Justice — US$ 15,500 — 2002

The Caribbean Court of Justice (CCJ) has been identified as a critical component of the Caribbean Single Market and Economy (CSME) as it will be responsible for protecting and enforcing the rights and obligations of CARICOM nationals relating to the establishment of economic enterprises, the provision of services and the movement of capital. On the one hand, CCJ will be the court of first instance as distinct from an appellate court, discharging functions of an international tribunal applying rules of international law in respect of the interpretation and application of the treaty. On the other hand, CCJ as the highest court of appeal in CARICOM will consider and determine appeals in both civil and criminal matters from common law courts within the jurisdictions of member countries of the community which are parties to the agreement establishing CCJ.

Contact point: Mr. Desmond Brunton, Vice President, Operations.

Other relevant information

CDB's Discussion Forums are mounted in an attempt for the Bank to respond to global developments and changes that affect the region, and to sensitize the wider public about the CDB's own role in these changing events. It is also to encourage a sharing of ideas on key socio-economic and political issues and to give CDB staff the opportunity to share experiences and activities of in-house research.

The upcoming forum will be the seventh hosted by CDB and proposes a feature address by one of the region's leading legal practitioners on the impact of crime on Caribbean societies and the impact on investment in the Caribbean.

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Summary of activities of the Caribbean Financial Action Task Force in the area of counter-terrorism and plans for the future

1. On 17 October 2001, the Council of Ministers of the Caribbean Financial Action Task Force (CFATF) issued a strong declaration urging all members to implement the United Nations Security Council resolutions on terrorism and the financing of terrorism and to sign and ratify all the United Nations Conventions against terrorism and in particular the International Convention for the Suppression of the Financing of Terrorism.

2. The CFATF mandate was extended in October 2002 to include issues relating to terrorism and terrorist financing and the provision of technical assistance and training in these areas.

Stage A

3. CFATF participated in the emergency plenary session of the Financial Action Task Force (FATF) on Money Laundering in Washington, D.C., during October 2001, which led to the creation of the Eight Special Recommendations on Terrorism Financing. Some member countries attended the FATF February 2002 global forum on terrorist financing in Hong Kong SAR. Members also participated in the FATF global self-assessment exercise to determine the level of compliance with measures called for in the Eight Special Recommendations.

4. The level of compliance by some of our members with the Eight Special Recommendations is high and other members are currently considering using those countries as examples of best practice in order to bring the regional legislative infrastructure to the required level of compliance.

5. Model legislation has been developed by experts of our associate training programme, which has been and is being utilized by some jurisdictions to develop their domestic legislation.

6. The secretariat is seeking funding to arrange technical assistance workshops for those jurisdictions that require it, in order to develop the required legislation. In April 2002, in conjunction with the Financial Action Task Force of South America, CFATF arranged a typology exercise on terrorist financing to explore current methodologies and trends in this area. Another typology exercise to update the information is being planned for March 2003.

7. At our semi-annual plenary meetings, member countries have the opportunity to report on steps taken in strengthening their frameworks; and the first annual compilation of country situation reports on the anti-money-laundering and terrorism financing infrastructure of all members is being finalized and should be presented for discussion at our March 2003 plenary meeting.

Stage B

8. The CFATF structure allows members to provide information through the peer-pressure monitoring process of our mutual evaluation programme and regular reporting to plenary meetings on steps taken to effectively implement recommendations in the mutual evaluation reports.

9. Financial Intelligence Units continue to be established in all member jurisdictions. Membership in the Egmont Group is encouraged. The training of customs, police and immigration personnel is an ongoing activity across the region. Currently, an assessment of technical assistance and training needs in all areas of the fight against money-laundering and terrorism is being finalized for dialogue with donor partners.

10. The secretariat attends meetings of the Association of Caribbean Commissioners of Police, the Caribbean Customs Law Enforcement Council and the Caribbean Community Regional Task Force on Crime and Security in order to keep abreast of the threats posed by terrorist activities in the region and the defensive structures that are being constructed.

Stage C

11. International cooperation by all players involved is pivotal to success in the fight against terrorism and its financing. Improvement in global arrangements to share information was the hallmark of several international initiatives over the past three years.

12. In recognition of this need for improved dialogue and effective cooperation, CFATF organized a meeting of attorneys general, directors of public prosecutions, regulators and law enforcement officials in order to discern the nature of and impediments to effective cooperation and the avenues for improvement.

13. This is but the first step, with a work plan being developed for the future.

Other information

14. The threats of money-laundering, terrorism and the financing of terrorism are seen to be of international security concern and are not likely to fade into oblivion in the near future.

15. The structures that have been and continue to be put in place across the region have come about at considerable cost to Governments in the region, which have to make hard choices as to meeting the day-to-day needs of their citizens while at the same time adhering to their international obligations, to which they are stoutly committed.

16. In the current economic climate, Caribbean basin economies continue to suffer as the potential for generating revenue for Governments from traditional sources of agriculture and terrorism decline.

17. In these circumstances public-sector staff, the vital personnel required to underpin the legislative, regulatory and law enforcement framework to combat money-laundering and the financing of tourism, are being lost to the private sector.

18. The gains of recent years in constructing those defensive mechanisms are being eroded. To stop this decline, it is imperative that global policy makers also take into account the economic consequences of these international obligations and the resources that are required to sustain their fulfilment in the longer term.

19. Adequate resources must be made available now for the work of the regional bodies created along the lines of FATF and the development of sustainable economic development strategies which will be encouraged and supported for the future.

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Eastern and Southern African Anti-Money-Laundering Group

The Eastern and Southern African Anti-Money-Laundering Group (ESAAMLG) is a group of 14 very diverse countries, most of them located in eastern and southern Africa, but also including the two offshore countries of Seychelles and Mauritius. The Group works with its members in the investigation and prevention of money-laundering within their countries. ESAAMLG acts as the clearing house for information to and from all of the member countries. Presently, expertise related to combating money-laundering is limited, and as a result the Group is attempting to help each member nation in the development of the needed expertise related to the subject in three general areas: finance, legal issues and law enforcement.

Upon the adoption of Security Council resolution 1373 (2001), the request to comply and provide feedback was sent directly to each Member country of the United Nations without using ESAAMLG as a clearing house for its members. Each reply was to have been returned directly to the United Nations. Since ESAAMLG was not involved in this process, we are not in a position to give a full and comprehensive answer regarding the information as requested. We have been advised that 11 of our 14 countries have submitted reports to the Counter-Terrorism Committee in accordance with resolution 1373 (2001). We believe that two of the three remaining countries are in the process of submitting or have submitted the required reports. The secretariat considers that combating the financing of terrorism is an important part of our prevention programme and is attempting to assist our member countries in meeting the expectations of resolution 1373 (2001), as well as the other international conventions and protocols relating to terrorism. In August 2002 ESAAMLG was advised by the Financial Action Task Force (FATF) that four of its member countries had completed the questionnaire on the eight recommendations concerning terrorist financing and had submitted their self-assessment questionnaires. ESAAMLG encouraged the remaining member countries to complete their self-assessments and submit their returns to FATF to facilitate a comprehensive review of the Group.

Three of our member countries, Kenya, the United Republic of Tanzania and South Africa, have experienced terrorist incidents in recent years. Kenya and Tanzania are working closely with American and Israeli authorities concerning these incidents, since they are related to foreign terrorist groups. South Africa has had success in identifying and stopping internal terrorism. Several of our other member countries are dealing with armed groups and activities within their borders that may be classified as terrorist.

A number of member countries have complied with the requirements of Security Council resolution 1373 (2001) through the introduction and subsequent passing of legislation. However, the development of an implementation programme is a tremendous challenge for most ESAAMLG members.

The investigation and prevention of money-laundering are very different in countries with a cash-based economy from what they are in the developed world. ESAAMLG is attempting to develop the expertise needed in this area by working with member countries, universities and organizations that have an interest in the region and the subject. The best-practice information obtained from the developed countries is of assistance in developing our experts. However, cash-based economies

do not use credit cards, banks and receipts to launder funds. A new best-practice concept must be developed to address our money-laundering and terrorist-financing issues.

ESAAMLG is now looking for the resources and expertise to assist in developing the effective machinery needed to prevent and suppress terrorism financing and money-laundering within a cash-based economy. Codes and standards for best practices are being researched and developed, but this programme needs ongoing funding for its continued development and implementation. The March 2003 meeting of the task force of senior officials of ESAAMLG will address the implementation of Security Council resolution 1373 (2001), among other issues, and assess the needs of the group for technical assistance in the area of programme development relating to money-laundering and terrorist financing.

We propose that, going forward, the United Nations and its agencies consider the involvement of ESAAMLG at an early stage in matters that would require outreach, so that we can use our network and political infrastructure to liase with our members for maximum output. We feel that we have synergy in this area that the Counter-Terrorism Committee can use so as to be even more effective.

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Report on counter-terrorism efforts of the Economic Community of West African States

1. The Economic Community of West African States (ECOWAS) has always taken measures to implement actions of the international community aimed ensuring security and world peace. The incidents of 11 September 2001 made it necessary to accelerate the implementation of ongoing protocols and initiatives. The activities undertaken and anticipated by ECOWAS in the global effort against terrorism form the basis for this report.

Stage A

2. In support of Security Council resolution 1373 (2001), adopted on 28 September 2001, advocating effective international action against terrorism, the ECOWAS Heads of State or Government, at their twenty-fourth Summit, held in Dakar in December 2001, issued specific counter-terrorism directives with which all member States were to be in compliance.

3. The Heads of State or Government categorically condemned the terrorist attacks on the United States of America of 11 September 2001. They directed member States to ratify without delay all relevant international conventions against terrorism. The Heads of State or Government called on member States to ratify the ECOWAS Convention on Extradition and its Convention on Mutual Assistance in Criminal Matters, as adherence to the latter would strengthen member States' capacity to cooperate on security-related matters.

4. Within the framework of the ECOWAS subregional mechanism against the offence of trafficking in persons, adopted in 2001, implementation of the action plans identified as counter-trafficking measures primarily includes the ratification of pertinent international conventions such as the United Nations Convention against Transnational Organized Crime.

5. The Executive Secretariat of ECOWAS is in the process of enlisting the aid of the United Nations Centre for International Crime Prevention in Vienna to provide technical assistance to member States to facilitate their ratification processes.

6. ECOWAS Heads of State established in 2000 an Intergovernmental Action Group against Money-Laundering (GIABA). All member States except the Gambia have established GIABA national focal points, whose responsibility it is to monitor money-laundering activities within their States and coordinate activities with other member States.

7. This institutional framework is necessary for stifling the circulation of illicit funds that could end up financing terrorist activities.

Stage B

8. ECOWAS is in the process of considering for adoption:

(a) A convention establishing a criminal intelligence bureau for West Africa;

(b) A cooperation agreement between security agencies of member States.

9. The drafts of these two agreements have been developed and are to be considered at separate meetings of West African Police Inspectors-General and

ministers in charge of security, both slated for the first quarter of 2003. ECOWAS has been receiving technical support from Interpol for these ventures.

10. It will be recalled that four years ago ECOWAS Heads of State or Government adopted the Moratorium on the Importation, Exportation and Manufacture of Small Arms and Light Weapons in West Africa.

11. The moratorium is expected to control the movement, use, importation, exportation and manufacture of arms by member States. States are obliged to impose stricter control regulations within their borders and to enforce stricter registration and ownership procedures, and may import arms only for defence and security purposes or for international peace operations when exemption is granted after consideration by all other member States. These measures, where scrupulously undertaken, would also serve to control access to weapons by terrorists.

12. In the process of implementing the moratorium and the action plans against cross-border offences such as trafficking in persons, the training of border, customs and immigration personnel becomes imperative. The training is being packaged to facilitate the detection of illegal movements of arms and movements of suspected traders in persons.

13. Movements of suspicious characters across borders naturally attract the attention of border personnel and would form part of the training curriculum. Measures are to be taken to improve the security of travel and identity documents. There is formal cooperation between ECOWAS border, customs and immigration personnel.

Stage C

14. As stated earlier, ECOWAS has a Convention on Mutual Assistance in Criminal Matters, which entered into force on 28 October 1998. It provides the necessary basis for cooperation in prosecutions, criminal investigations, exchange of information and practical law enforcement cooperation. Our Convention on Extradition was adopted in 1996, though it is yet to enter into force, while our human development department runs a programme for the control of drugs and psychotropic substances in West Africa.

15. An early warning centre has been set up within the ECOWAS Executive Secretariat and is linked to four bureaux, located in Burkina Faso (Ouagadougou), Liberia (Monrovia), Benin (Cotonou) and the Gambia (Banjul). The early warning system is an important conflict-prevention mechanism employed within our general security machinery. When fully operational, it will be capable of sharing information with other international organizations engaged in the promotion of international security and world peace.

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Summary of Egmont Group activity in 2002

In short, a financial intelligence unit (FIU) can be described as an operational central agency within a Government that (1) receives disclosures of financial information that are reported by financial institutions and other persons to the Government pursuant to its particular anti-money-laundering laws: (2) analyses or processes those disclosures in some manner; and (3) disseminates the information domestically and internationally to appropriate governmental authorities in support of a national anti-money-laundering effort. FIUs have been formed to help nations counter money-laundering but they also help counter many types of financial crimes, including fraud and terrorist financing. The goal of the Egmont Group is to provide a forum for FIUs around the world to improve support to their respective Governments in the fight against money-laundering and other financial crimes.

While FIUs are still a young concept (roughly 6 years old), we believe the value of information exchange on an international level in support of respective law enforcement efforts has proven itself to be highly successful. FIUs have a unique ability to exchange financial information that may be helpful to the financial aspects of law enforcement investigations, including those related to terrorists and uncovering their assets. As such, Egmont has developed certain principles of information exchange.

Egmont has created a secure encrypted capability to share information over the Internet. Egmont's secure web system permits members of the group to communicate with one another via secure e-mail to post and assess information regarding trends, analytical tools and technological developments. Currently, there are 53 FIUs connected to the system.

Egmont, although not focused exclusively on anti-terrorism, has taken steps to use its unique capabilities to support the global war on terrorism. On 31 October 2001, the Financial Crimes Enforcement Network (FinCEN) hosted a special Egmont Group meeting that focused on the role of FIUs in the fight against terrorism. The Egmont FIUs agreed to: (1) identify whether there are any legal impediments to information exchange, especially relating to terrorist funding activities, and to work within their country to eliminate any such impediments; (2) support international efforts to ensure that terrorist funding is a predicate offense to money-laundering and that terrorist financing constitutes one form of suspicious activity to be reported by the financial sector to FIUs; (3) consolidate the role of FIUs as the entryway to the FIU network of information; (4) pool resources of FIUs, both human and otherwise, where appropriate, to undertake joint strategic studies of particular money-laundering vulnerabilities, particularly when they may have some bearing on counter-terrorism, such as Hawala; and (5) undertake a case review to compile sanitized cases with specific emphasis on terrorist financing. On behalf of the Federal Bureau of Investigation, Operation Green Quest, the United States Customs Service and the Treasury Department's Office of Foreign Assets Control, FinCEN has reached out to all Egmont FIUs seeking information to support the United States investigation of 11 September. Cooperation among the Egmont Group's 58 members and their prompt responses to those requests were unprecedented.

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Progress made by the Financial Action Task Force on Money Laundering in implementing the Eight Special Recommendations on Terrorist Financing

Introduction

The Eight Special Recommendations on Terrorist Financing were adopted by the Financial Action Task Force on Money Laundering (FATF) at an extraordinary plenary meeting in Washington, D.C. on 30 October 2001 during which a comprehensive Plan of Action for implementing them was also developed. FATF continues working towards effecting the changes called for in its Plan of Action by focusing on four key areas.

Establishing the standards and developing guidance for their implementation

As FATF conducts its review of the FATF Forty Recommendations on money laundering, it continues to take the terrorist financing threat into account. In particular, FATF will intensify work with respect to corporate vehicles, correspondent banking, the identification of beneficial owners of accounts, and the regulation of non-bank financial institutions, all of which are particularly vulnerable to abuse by terrorist organizations and those who finance them.

In March 2002, FATF published initial guidance on the Eight Special Recommendations to assist jurisdictions in completing their self-assessment responses (see below). Since June 2002, an FATF working group has been established for, among other things, developing further guidance on the individual Special Recommendations. In October 2002, FATF published a best practices paper on preventing the misuse of non-profit organizations by terrorists (Special Recommendation VIII). FATF also issued a proposed interpretative note on wire transfers (Special Recommendation VII) for consultation with the private sector and plans to publish the final note in February 2003. The Working Group is also developing guidance on alternative remittance systems (Special Recommendation VI), and FATF will examine their proposals in February 2003.

Assessing the implementation of the standards globally

In December 2001 and February 2002, FATF circulated a self-assessment questionnaire on terrorist financing to FATF members and non-members respectively. The completed questionnaires are being used to determine the level to which jurisdictions have implemented the measures called for in the Eight Special Recommendations.

FATF analysed and published the initial results for its members in June 2002. Almost all FATF members were in full or partial compliance with most of the Recommendations. There has been further progress since then and FATF continues to monitor members' progress closely.

For non-FATF jurisdictions, FATF has now received 99 completed questionnaires. Taken together with the responses from the 29 FATF member jurisdictions, FATF estimates that self-assessment responses have been received from some 60 per cent of jurisdictions worldwide. An initial assessment of the non-FATF member responses was prepared for the October 2002 plenary meeting of FATF, and the results were shared with the relevant FATF-style regional bodies

FATF has started communicating with individual jurisdictions regarding the initial analysis.

Analysing terrorist financing techniques and providing guidance to financial institutions

The FATF annual typologies exercise to study the methods and trends in money-laundering now includes studying terrorist financing methods. Using the results of the 2001-2002 typologies exercise, FATF developed guidelines for financial institutions and other vulnerable entities in detecting and reporting terrorist financing activities. These guidelines were published in April 2002. In February 2003, the results of the 2002 typologies exercise, which includes additional information on terrorist financing methods and trends, will be published.

Spreading the message and encouraging dialogue

FATF has received a number of requests from jurisdictions for further information on how to achieve effective implementation of the Eight Special Recommendations. FATF wants to address the issue of provision of technical assistance, as necessary, to those jurisdictions that may be having difficulties in implementing appropriate measures. FATF has participated in the discussions sponsored by the International Monetary Fund (IMF) and the World Bank on efforts to elaborate global level coordination of technical assistance needs. These discussions have also included the United Nations Counter-Terrorism Committee, the United Nations Office on Drugs and Crime, various regional international financial institutions, and the FATF-style regional bodies. The contemplated role of FATF in this effort is to work closely with the Counter-Terrorism Committee, the World Bank and IMF in identifying the priority countries or jurisdictions in need of technical assistance. One of the Working Group's tasks is to identify such priority jurisdictions.

Conclusion

During the coming year, FATF will continue to vigorously implement its Plan of Action by pursuing its self-assessment exercise and by updating its reports and guidelines on terrorist financing techniques and methods, as necessary. The FATF process for establishing further guidance on the Eight Special Recommendations will also proceed during the next months. In addition, FATF will pursue efforts to build a dialogue with jurisdictions worldwide as they implement the Recommendations.

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Summary of the activities of the Financial Action Task Force for South America*

General comment

The Financial Action Task Force of South America (GAFISUD) is preparing a regional report on compliance with the eight Special Recommendations on Terrorist Financing issued by the Financial Action Task Force on Money Laundering (FATF) by South American countries. The report will be presented at the incoming FATF plenary meeting to be held from 10 to 14 February 2003.

Therefore, the individual compliance of every GAFISUD member will be reflected in that report and will be made available for authorized users of the FATF secure web site for combating the financing of terrorism.

Subsequently, GAFISUD will be able to respond to the information requested by the Counter-Terrorism Committee in accordance with the format requested on 17 January 2003. Reference is made herein to the actions taken horizontally as a group.

Stages A, B and C

GAFISUD Action Plan to combat terrorist financing

Approved on 8 December 2001 by the Council of Ministers — Authorities:

(a) Included the endorsement of the FATF 8 Special Recommendations (including United Nations conventions and resolutions) by means of the amendment to article 1 of the GAFISUD memorandum of understanding;

(b) Launched a self-assessment exercise on the compliance with the FATF 8 Special Recommendations (using the translation of the questionnaire used by GAFISUD) to be completed in January 2003;

(c) Placed special emphasis on the need to study and reinforce scrutiny in various areas, such as bureaux of exchange, money remitters and international movement of capital;

(d) Called for fostering training activities for combating the financing of terrorism along with those related to anti-money-laundering;

(e) Agreed to intensify cooperation with other international organizations (United Nations, FATF, Egmont Group, FATF-style regional Groups).

Entities involved in the implementation of the Action Plan

GAFISUD secretariat:

International level:

In charge of cooperating with other international organizations.

Regional level:

In charge of preparing the regional report on compliance with the eight Special Recommendations of FATF and presenting technical assistance and training needs

* The annexes to this report are on file with the Secretariat and are available for consultation.

for designing seminars and other activities. Also in charge of updating countries' requests and donors' actions in the database for technical assistance and training organized by the World Bank.

GAFISUD members' focal points:

National level:

As with all the activities contemplated in the GAFISUD Action Plan, the country contacts are the same as those for money-laundering issues.

These country contacts are responsible for reporting to GAFISUD the level of implementation of the Action Plan in their country.

Results of the Action Plan

See GAFISUD report (in Spanish).

Future activities 2003

See GAFISUD report (in Spanish).

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Report containing the response of the Gulf Cooperation Council to the request for information by the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

[Original: Arabic]

Since long before the events of 11 September 2001, the States of the Arab Gulf Cooperation Council have attached the utmost significance to the phenomena of extremism, violence and terrorism, and to the importance of combating them. The States of the Council have also affirmed their categorical repudiation of extremism, violence and terrorism in all their forms and manifestations, irrespective of their source, location, motivation and origins, which endanger and threaten the security, safety and stability of States, their citizens and residents. The Arab Gulf Cooperation Council States have affirmed their determination to deal with this phenomenon and address it by means of enhanced communications, coordination and cooperation for security. At the same time, they have called on all States, particularly those that are linked to the States of the Council by relations of friendship and common interest, not to give safe haven to terrorist and extremist elements or groups, to deny them the right to political asylum, and not to enable them to abuse the territory and laws of those States in order to engage in their terrorist and subversive activities and practices and to terrorize innocent and peaceful citizens. Those States also appealed for Islam not to be held responsible for acts and practices that are alien to the spirit of Islam.

The States of the Cooperation Council also renewed their call for the conclusion of an international agreement on combating terrorism, affirming their conviction that the ideal and only means of combating terrorism is through agreed international action within the framework of the United Nations to eliminate this international phenomenon and bring to an end the consequential human casualties and material losses. In that context they emphasized their position concerning the distinction between terrorism and the right of peoples to engage in the legitimate struggle against foreign occupation.

The Cooperation Council States have affirmed their support for the international coalition for the eradication of terrorism and their readiness to cooperate with the international community to address this phenomenon.

Those States have undertaken to implement Security Council resolution 1373 (2001) and other resolutions of the Council concerning counter-terrorism.

Stage A

Having legislation in place covering all aspects of resolution 1373 (2001) and a process in hand for becoming party as soon as possible to the 12 international conventions and protocols relating to terrorism

The States members of the Arab Gulf Cooperation Council have adopted a number of national legislative enactments for the elimination of terrorism. Those States are engaged in developing them in conformity with their international obligations by acceding to and ratifying the majority of the relevant international conventions.

The States members of the Arab Gulf Cooperation Council have become parties to many of the 12 United Nations conventions for combating terrorism and their related protocols. Those States have convened a number of meetings of experts and specialists from the member States to study the remaining international conventions with a view to accession.

All the States members of the Arab Gulf Cooperation Council have signed the Arab Convention on the Suppression of Terrorism (1998) and the Convention of the Organization of the Islamic Conference on Combating International Terrorism (1999), and the majority of those States have ratified those instruments.

The States of the Arab Gulf Cooperation Council, through their permanent missions to the United Nations, take part in all the activities of United Nations bodies connected with counter-terrorism, including work on the preparation of the draft general convention on combating international terrorism, with the proviso that the convention should include a specific definition of terrorism distinguishing between terrorism and the right of peoples to the legitimate struggle against foreign occupation.

Having in place effective executive machinery for preventing and suppressing terrorist financing

Most of the States members of the Arab Gulf Cooperation Council have effective laws, regulations, circulars and mechanisms to ensure that funds collected locally to be used for humanitarian purposes are not diverted to other purposes, including terrorist financing. Information is exchanged between the Cooperation Council States, as well as regionally and internationally, concerning suspicious persons and activities, and assistance is provided with respect to bank accounts and verifying the propriety of bank operations and transfers. There is full coordination between the security bodies in the States of the Council and specialized committees meet periodically to coordinate the efforts of various bodies in those States on this matter.

Stage B

Once States have in place legislation covering all aspects of resolution 1373 (2001), the next phase of implementation can be broadly devised as a State strengthening its executive machinery to implement 1373-related legislation. This will include activity along the following lines:

- **Having in place effective and coordinated executive machinery covering all aspects of resolution 1373 (2001) and in particular preventing recruitment to terrorist groups, the movement of terrorists, the establishment of terrorist safe havens and any other forms of passive or active support for terrorists or terrorist groups.**

Effective executive machinery includes, inter alia, having in place:

- **police and intelligence structures to detect, monitor and apprehend those involved in terrorist activities and those supporting terrorist activities.**

The process of suppressing terrorism is within the competence of a number of executive organs in the States members of the Arab Gulf Cooperation Council. Those organs are responsible for ensuring coordination and cooperation among

themselves through direct communications, periodic meetings and the exchange of information within each State and between the States of the Council.

Customs, immigration and border controls to prevent the movement of terrorists and the establishment of safe havens

All members of the Arab Gulf Cooperation Council, in cooperation with the counter-terrorism authorities, ensure surveillance of borders and entry points in order to prevent the movement of suspects and to pursue criminals on the run and the perpetrators of acts of terrorism. The counter-terrorism authorities also use special devices and sophisticated means of search and detection in order to prevent the counterfeiting of identity cards and travel documents.

Controls preventing the access to weapons by terrorists

The Arab Gulf Cooperation Council States have regulations and laws prohibiting the import, export, sale, possession, exchange, acquisition or transport of weapons, ammunition, materiel or spare parts without the prior authorization of the competent authorities.

Stage C

Looking further ahead, stage C will cover the remaining areas of resolution 1373 (2001), including:

- **Cooperation on bilateral, regional and international levels, including exchange of information;**
- **Judicial cooperation between States and action on bringing terrorists and their supporters to justice (e.g. prosecution or extradition, exchange of information and early-warning, and law enforcement and practical judicial cooperation); and**
- **Links between terrorism and other threats to security (arms trafficking, drugs, organized crime, money-laundering and illegal movement of CBN weapons).**

There are bilateral conventions on cooperation between the members of the Arab Gulf Cooperation Council just as there are bilateral conventions on cooperation between the Council members and other States, on both a regional and an international basis. In addition, the States members are parties to many regional and international conventions relating to counter-terrorism.

The States of the Arab Gulf Cooperation Council have adopted a security strategy to combat the phenomenon of extremism accompanied by terrorism.

A committee of experts and specialists has been formed under the auspices of the States of the Arab Gulf Cooperation Council to prepare a draft security convention for combating terrorism.

The States of the Council have adopted an indicative law on combating money-laundering.

The Arab Gulf Cooperation Council is a full member of the Financial Action Task Force (FATF) and is an active member of the FATF Working Group on Terrorist Financing.

National committees have been set up within the States members of the Arab Gulf Cooperation Council to coordinate the efforts of the authorities concerned to implement the obligations arising under Security Council resolution 1373 (2001) and those committees have started work.

Contact points have been identified, first within the permanent missions of the States members of the Arab Gulf Cooperation Council in New York, and second within each individual State in order to facilitate international cooperation for the elimination of terrorism and the implementation of Security Council resolution 1373 (2001).

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Activities of the International Association of Insurance Supervisors relating to anti-terrorism

Vulnerabilities

This section reviews the different kinds of relationships between the institutions and the customers, including the relationships between institutions and how they relate to the ultimate customer/beneficial owner. There is also review of the products or areas that are particularly vulnerable to money-laundering.

The IAIS is fully aware that the insurance industry is at risk of being misused by criminals for fraudulent activities, and has agreed that work in this area should be among the Association's priorities. The financial resources of insurance companies will in particular attract fraudsters. However, the nature of the insurance business means that other financial institutions, such as banks, are more vulnerable to money-laundering.

In insurance, several parties could be involved: the insurer, the policyholder, the insured person and the beneficiary. The contracting parties are generally free — within the boundaries of law — to determine the conditions of the insurance contract, e.g., with respect to the duration, benefits, early surrender and designation of beneficiaries.

The insurance industry has several ways of marketing its products. Some companies (direct writers) sell insurance directly to the customer and have their own call centres or agents. Some companies use intermediaries that are either independent and work for other insurance companies as well, or work exclusively for the company in question. Sometimes insurance companies use other companies in the same group to market its products, e.g., sale over the counter of bank branches.

In insurance, risk assessment and premium setting are essential elements within the underwriting process. To assess risk, information on the background of the client is collected, investigated and filed, especially in the case of insurance of large risks. Various "trigger events" occur after the contract date and indicate where due diligence is also applicable. These trigger events include claims notification and surrender requests. Well understood, self-interest leads insurance companies to be careful in their payment of claims, which are normally only paid after thoroughly checking the circumstances of the loss and the identity of the claimant.

Examples of the type of contracts that are particularly attractive as a vehicle for laundering money are single premium investment policies, namely,

- Unit-linked single premium contracts
- Purchase of annuities
- Lump sum top-ups to an existing life insurance contract
- Lump sum contributions to personal pension contracts.

Guidance provided to address vulnerabilities

There needs to be a higher standard of due diligence applied to higher-risk customers and areas, so as to mitigate the risk of money-laundering and terrorist financing.

The IAIS is committed to preventing the misuse of insurance companies for money-laundering purposes by giving guidance to insurance supervisory authorities as well as, as appropriate, to the insurance industry and by strengthening cooperation between its members as well as with the industry.

At present, the above-mentioned guidance is given through the Anti-Money Laundering Guidance Notes for Insurance Supervisors and Insurance Entities (January 2002). The Guidance Notes address the use of insurance entities to launder the proceeds of crime and stress the importance of "knowing your customer" principles, and the need for cooperation with law enforcement authorities in this area.

Insurance entities that are by the nature of their business vulnerable to money-laundering should be constantly vigilant in deterring criminals from making use of them for the purpose of money-laundering. The duty of vigilance is to avoid assisting the process of laundering and to react to possible attempts of insurance entities being used for that purpose. The duty of vigilance consists mainly of the following elements:

(a) Underwriting checks;

(b) Verification of identity;

(c) Recognition and reporting of suspicious customers/transactions;

(d) Keeping of records;

(e) Training.

All insurance entities that are by the nature of their business vulnerable to money-laundering should have an effective anti-money-laundering programme in place which enables them:

- In the case of insurers, to foster close working relationships between underwriters and claims investigators
- To determine (or receive confirmation of) the true identity of prospective policyholders and where the applicant for an insurance policy is acting on behalf of another person, to take steps to verify the identity of the underlying principal. In this respect an insurance entity should not enter into a business relationship or carry out a significant one-off transaction if it is unable to identify and verify the identity
- To recognize and report suspicious transactions to the law enforcement authority and insurance supervisor
- To keep records for (a prescribed) period of time
- To train staff (key staff should have a higher degree of training)
- To liaise closely with the law enforcement authority and insurance supervisor on matters concerning vigilance policy and systems

- To ensure that internal audit and compliance departments regularly monitor the implementation and operation of vigilance systems
- To assure ongoing compliance with all relevant laws and regulations
- To designate an officer who is responsible for day-to-day compliance with current regulations. Large entities may have a separate money-laundering reporting officer
- To establish high ethical standards in all business and require compliance with laws and regulations governing financial transactions
- To ensure cooperation with law enforcement authorities, within the confines of applicable law.

The IAIS' Guidance Notes have been incorporated into the Financial Action Task Force on Money Laundering (FATF) "Methodology for Assessing Compliance with Anti-Money Laundering and Combating the Financing of Terrorism Standards".

Ongoing and future work

The IAIS has designated AML/CFT as an important issue in the supervision of insurance companies. For this purpose

- The IAIS has sought closer relations with the FATF by applying for observer status in the FATF, submitted comments on the Consultation Paper regarding the review of the FATF Recommendations and attending meetings of the FATF working group on the review of the Recommendations
- IAIS representatives attended meetings to discuss the AML/CFT Methodology
- The IAIS is drafting Insurance Core Principles on AML/CFT as part of the ICP revision.

After completion of the new FATF Recommendations, the IAIS intends to review its "Anti-Money Laundering Guidance Notes for Insurance Supervisors and Insurance Entities".

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The International Bar Association's Task Force on International Terrorism

The events of 11 September and their aftermath have set Governments and international law-making bodies a number of complex legal challenges both in terms of responding to global terrorism, and contending with the impact on people's fundamental rights and freedoms all around the world. The task facing the international community is how to counter the very real threat of terrorism without diminishing the protection of civil liberties and human rights.

In response to these challenges the International Bar Association has established a Task Force on International Terrorism which is examining the complex and testing problems of modern terrorism against the backdrop of international law and practice.

The Task Force is carving out a unique role for itself. Not only does it represent an exceptional gathering of international experts and lawyers, it is approaching the threat of international terrorism from a fresh, balanced and global perspective. The Task Force sees its role as reaffirming the rule of law while recognizing the necessity of measures to protect both individuals and societies in a manner consistent with the maintenance of international peace and stability. It recognizes the importance of weighing up competing obligations and is openly consulting with Governments, academics, experts, lawyers and non-governmental organizations (NGOs) in order to evaluate how to reconcile mutually exclusive issues.

More specifically, the Task Force is engaged in:

- Undertaking research in developing areas of law with a view to aiding the interpretation of existing and new norms of international law
- Surveying national practice to develop minimum standards and best practice guidelines
- Consulting with Governments, policy makers, academics, NGOs, lawyers and other experts
- Providing weighty and well-regarded expert opinion on complex and controversial areas of international law
- Contributing to the development of laws which play a significant role in the eradication of global terrorism.

At its meetings in London, Washington, D.C., New York and Stockholm, the Task Force identified a number of substantial legal issues in which it was felt it could play a key role in helping to inform and interpret existing and developing law. These include:

Current approach of the United Nations and the international community

The Task Force is currently in the process of examining existing conventions and developing legal norms through State practice. This includes a review of the range of measures taken post-11 September by intergovernmental and regional bodies, including the European Union. Particular attention will be paid to the implementation of Security Council resolutions.

Civil liberties, human rights and protection from terrorist attacks

As history has demonstrated, it is at times of extreme strain that legal norms are at the greatest risk of being overridden. Acting outside the framework of existing legal norms has the potential to undermine the universality of the rule of law and human rights. The challenge facing the international community in response to terror violence is how best to balance respect for the rule of law, civil liberties and human rights while becoming more efficient at tackling the threat presented by terrorism. The Task Force is grappling with these complex issues and believes it can provide some clarity as to how such a balance can be struck.

Financing terrorism

Severing the financial support for terrorists is seen as a major plank in the fight against terrorism. Money-laundering, recognized as a problem of global proportions, is an area in which regulation could erode corporate and individual freedom. The Task Force will examine the merits of the new money-laundering regimes and advance alternative means of developing regulatory systems that will both deter and uncover the financing of terrorist activity. In the process, it will consider the difficulty of regulating the parallel banking systems utilized by a wide range of countries.

Funding

The Task Force on International Terrorism has received a large financial contribution from the Swedish Government. It is also grateful for the financial support it has received from the Arab Lawyers' Union. This complements financial support received from the International Bar Association, the International Bar Association Educational Trust and the International Bar Association Foundation.

At the conclusion of its consultation and research, the Task Force will issue a publication containing its findings and recommendations. It is anticipated that this publication will act as a resource for lawyers, academics, politicians and the international community.

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Activities of the Executive Committee of the International Organization of Securities Commissions

The International Organization of Securities Commissions (IOSCO) approved in 1998 a comprehensive set of *Objectives and Principles of Securities Regulation*, which clearly demonstrates the will of its members to implement high regulatory standards in their respective jurisdictions. In addition to pursuing its own initiatives regarding information sharing, which have culminated in May 2002 in the endorsement of a multilateral memorandum of understanding, over the years IOSCO has undertaken considerable work in the area of customer identification and the regulation of financial intermediaries. IOSCO is now actively engaged with the Financial Action Task Force on Money Laundering (FATF) and other international bodies on these issues as part of initiatives to identify and prevent money-laundering, terrorist financing and other financial crimes. IOSCO is committed to continuing these activities.

(*Signed*) Fernando **Teixeira dos Santos**
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Report on the activities of the Islamic Development Bank in the area of counter-terrorism

The Islamic Development Bank (IDB) started operations in October 1975 as a multilateral development financing institution with 22 countries as members, all of which are members of the Organization of the Islamic Conference (OIC). The membership had increased to 54 by 2002. According to its Articles of Agreement, the purpose of the IDB is to foster the economic development and social progress of its member countries as well as of Muslim communities in non-member countries. The Bank is an international treaty organization and derives its legal personality from public international law.

The Islamic Development Bank applies international accounting standards (IAS). Except for one technical difference in the matter of treatment of leases in order to bring them into conformity with the principles of Islamic jurisdiction (Shariah), the financial statements of the Bank for fiscal year 2002 are IAS-compliant. Standard and Poor's recently rated the Bank as "AAA".

The Bank finances viable and profitable projects through modes of financing that are compatible with Shariah. The Bank follows the international financing procedures usually adopted by multilateral financial institutions regarding such activities as the selection and appraisal of projects, tendering and disbursement. Transparency is also ensured, as the beneficiary is usually a well-known legal entity and IDB operations and correspondence with the beneficiary are officially well documented. No project or operation is executed that is not in line with the Articles of Agreement, regulations or rules of IDB.

The Bank is also trying to raise the standard of Muslim communities in non-member countries which are generally poor in order to make them good citizens and contribute positively towards the development of the country in which they reside. For that purpose, the Bank is providing assistance for financing education, vocational training, dormitories and health projects. All the activities are implemented with the knowledge of the concerned authorities.

Furthermore, the Bank is managing the Al-Quds Fund and the Al-Aqsa Fund in accordance with the decision of the Arab ministers of finance, following the Arab Summit which was held in Cairo in October 2000. The Bank was chosen to manage the two Funds because of its professional expertise and long history of humanitarian, social and development activities in member countries. The Al-Quds Fund, with a total resource allocation of 200 million United States dollars ($), is dedicated to supporting the adversely affected families and educating their children as well as rehabilitating the wounded and the injured, while the Al-Aqsa Fund, with a total resource allocation of $800 million, is dedicated to funding economic projects in Palestine. The Bank was mandated to work out procedures for the proper functioning of the two funds and to ensure that the allocated resources were utilized for the specified purposes. Some of the projects have been executed by the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Development Programme and the World Bank. Further, according to the Memorandum of Understanding between the Islamic Development Bank and the International Monetary Fund, the International Monetary Fund is reviewing the financial support provided to the Palestinian Authority under the two Funds.

As for the general operations and different schemes implemented by the Bank, the bulk of the disbursements are made in United States dollars through its accredited correspondent banks under the supervision of their respective central banks. According to the Bank's rules and procedures, all disbursements are made directly to the supplier if the Bank is financing goods or equipment, or to the contractor if the Bank is financing civil works or services. No disbursement is made directly to the recipient/beneficiary of IDB financing.

The Islamic Development Bank is closely and fully cooperating with other multilateral development financing institutions, including the World Bank, the Asian Development Bank and the African Development Bank in the financing and implementation of projects in many countries with joint membership in order to maximize the benefits of development finance. The Bank would be happy and ready to enhance further its coordination and cooperation with the various international institutions and organizations and take any additional measures to combat terrorism financing.

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Letter dated 6 December 2002 from the Secretary General of the North Atlantic Treaty Organization addressed to the Secretary-General of the United Nations

In the light of the great importance the Alliance attaches to close cooperation with the United Nations in the struggle against terrorism, and following my letter of 25 June 2002 to Sir Jeremy Greenstock, Chairman of the United Nations Security Council Counter-Terrorism Committee, I would like to inform you on the significant decisions taken at the Prague Summit of Heads of State and Government relevant to the fight against terrorism.

As you are aware, while the Prague Summit was marked by the Alliance's historic decision to invite Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to begin accession talks to join the North Atlantic Treaty Organization (NATO), our Heads of State and Government also adopted a series of measures to strengthen our ability to counter the new threats of the twenty-first century. In so doing, they reiterated their steadfast commitment to the transatlantic link; to NATO's fundamental security tasks, including collective defence; to our shared democratic values; and to the Charter of the United Nations.

The Summit meeting was also an occasion for our Heads of State and Government to once again categorically reject and condemn terrorism in all its forms and manifestations and to underline their determination to combat this scourge for as long as necessary. Recalling the tragic events of 11 September 2001, and NATO's subsequent invocation of article 5 of the Washington Treaty, they approved a comprehensive package of measures, based on NATO's Strategic Concept, to strengthen our ability to meet the challenges to the security of our forces, populations and territory, from wherever they may come. These measures will ensure that NATO can better carry out the full range of its missions and respond collectively to those challenges, including the threat posed by terrorism and by the proliferation of weapons of mass destruction and their means of delivery.

In particular, the Alliance Heads of State and Government decided to:

- Create a NATO Response Force, which will have its initial operational capability as soon as possible, and at the latest by October 2004; and its full operational capability not later than October 2006;
- Streamline NATO's military command arrangements, making them leaner, more efficient, effective and deployable, with a view to meeting the operational requirements for the full range of Alliance missions;
- Approve the Prague Capabilities Commitment as part of the continuing Alliance effort to improve and develop new military capabilities for modern warfare in a high threat environment. Capabilities required for the full range of NATO's missions, including defence against terrorism, will be enhanced through this new commitment;
- Endorse a military concept for defence against terrorism. This concept sets out NATO's potential military role in leading or supporting operations or conducting other activities in defence against terrorism. It is a part of a package of measures that also includes improved intelligence sharing and crisis response arrangements;

- Reiterate NATO's commitment, in cooperation with its partners, to fully implement the Civil Emergency Planning Action Plan for the improvement of civil preparedness against possible attacks against the civilian population with chemical, biological or radiological agents;
- Endorse the implementation of five nuclear, biological and chemical weapons defence initiatives, which will enhance the Alliance's defence capabilities against weapons of mass destruction;
- Strengthen our capabilities to defend against cyber attacks;
- Examine options for addressing the increasing missile threat to Alliance territory, forces and population centres.

With respect to the Euro-Atlantic Partnership Council's contribution to the global fight against terrorism, I fully shared Sir Jeremy Greenstock's assessment, when he met with the North Atlantic Council on 5 June, that the Euro-Atlantic Partnership Council could make a substantial contribution to the activities of the United Nations in the struggle against terrorism. It is therefore with great pleasure that I bring to your attention the Partnership Action Plan against Terrorism, a copy of which is enclosed herewith, as an initial contribution of the Partnership to the implementation of the United Nations Security Council resolution 1373 (2001). The Action Plan, elaborated by Allies and Partners, was welcomed by the Heads of State and Government of the Euro-Atlantic Partnership Council at Prague. In the days ahead, the Council will work on the implementation of the Partnership Action Plan against Terrorism, and I will keep you updated on our activities in this regard.

At Prague, our Heads of State and Government also welcomed the significant achievements of the NATO-Russia Council, in which NATO member States and Russia are working together as equal partners, making progress on a range of issues, including the struggle against terrorism.

NATO Heads of State and Government further decided to upgrade substantially the political and practical dimensions of our Mediterranean Dialogue and encouraged intensified practical cooperation and effective interaction on security matters of common concern, including terrorism-related issues.

They have also reiterated the Alliance's commitment to enhancing NATO-European Union cooperation, including in the light of events since 11 September 2001.

Let me take this opportunity to point out two other areas relevant to the United Nations that were addressed at Prague. As you know, NATO member States have already responded to the call of the United Nations Security Council to assist the Afghan Government in restoring security in Kabul and its surroundings. In a further sign of our commitment, NATO has agreed to provide support in selected areas for Germany and the Netherlands, which will jointly assume the leadership of the International Security Assistance Force following the United Kingdom of Great Britain and Northern Ireland and Turkey.

Concerning Iraq, NATO Heads of State and Government stated that the Allies stand united in their commitment to take effective action to assist and support the efforts of the United Nations to ensure full and immediate compliance by Iraq, without conditions or restrictions, with United Nations Security Council resolution 1441 (2002). They recalled that the Security Council, in that resolution, warned Iraq

that it will face serious consequences as a result of its continued violation of its obligations.

Let me conclude by reiterating my appreciation of the cooperation between the United Nations and NATO in responding to the threat of terrorism and express my strong commitment to bring it closer.

(*Signed*) George **Robertson**

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Offshore Group of Banking Supervisors

Summary of activities

1. The Offshore Group of Banking Supervisors (OGBS) at its meeting on 6 November 2001 endorsed the action taken by the Financial Action Task Force on Money-Laundering (FATF) in adopting a set of special recommendations on terrorist financing. OGBS issued a statement to the effect that all members were resolute in their commitment to the fight against terrorism, and that members either had already taken, or had indicated their firm intention to take, necessary further action to detect and deter any misuse of the financial institutions in their jurisdictions in the financing of terrorism and to support and contribute to the international effort through full, prompt and effective cooperation with other authorities. The conditions of membership of the Group include having a clear commitment to the Eight Special Recommendations of the FATF on terrorist financing; having the necessary legislation and administration in place to put these commitments into effect; and having evidence of a satisfactory track record of translating these commitments into effect.

2. All 19 members of OGBS[1] participated in the FATF self-assessment exercise for the Special Recommendation on Terrorist Financing. The questionnaires were completed in the first six months of 2002 and the results are summarized in FATF-XIV Plen/14 F.

Stage A

3. Since the completion of the FATF self-assessment questionnaire OGBS members have taken steps to enact legislation to further prevent and suppress terrorist financing. At the plenary meeting of the Group held in September 2002, all members were asked to indicate what changes in legislation/practices had taken place to enhance the ability to fight the financing of terrorism. Action taken included the implementation of United Nations resolutions; the ratification of the 1999 United Nations Convention for the Suppression of the Financing of Terrorism; and the enacting of specific domestic legislation in the form of Prevention of Terrorism Acts. Many jurisdictions have also amended their anti-money-laundering guidance notes to encompass the need to counter terrorism financing.

Stage B

4. OGBS co-chair with the Basel Committee on Banking Supervision, a cross-border banking working group that produced a standard-setting report on Customer Due Diligence for Banks. This report was issued by the Basel Committee in October 2001 and endorsed by the international community of banking supervisors at their international conference in Cape Town in September 2002. OGBS members see effective customer due diligence as a key requirement for combating the financing of terrorism.

5. On-site visits for all financial institutions (including trust and company service providers) are being engaged in by OGBS members to reinforce their know-your-customer obligations. Jurisdictions also have resourced their Financial Intelligence

[1] Aruba, Bahamas, Bahrain, Barbados, Bermuda, Cayman Islands, Cyprus, Gibraltar, Guernsey, Hong Kong, Isle of Man, Jersey, Macau, Labuan, Mauritius, Netherlands Antilles, Panama, Singapore and Vanuatu.

Units to enable them to act upon suspicious transaction reports covering terrorism as well as money-laundering. Action also has been taken to circulate lists of suspected terrorists to all financial institutions, which institutions are then required to check clients for suspicion and take prompt action in passing suspect names to the relevant authorities for freezing-of-funds action to be taken.

6. A number of jurisdictions have set up special bodies to coordinate the activities of the separate agencies within their jurisdictions who have a role in combating terrorism, to ensure a unified approach (for example Cyprus — Coordinating Body against Terrorism; Mauritius — National AML/CFT Committee).

Stage C

7. OGBS members support fully the importance of effective cooperation between jurisdictions if the fight against terrorism is to be successful. This is being achieved through the enacting of legislation to provide for international cooperation, through a memorandum of understanding with other regulatory and enforcement authorities, and through the activities of the Financial Intelligence Units and law enforcement agencies.

Other relevant information

8. OGBS, while primarily concerned with the effective supervision of banking establishments, has a wide remit. OGBS has recently produced a Statement of Best Practice for trust and company service providers which sets standards for those engaged in this area of business that will serve to help further detect and deter terrorist financing.

9. [Fuller details are available for individual OGBS jurisdictions if required.]

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Report on the activities of the Shanghai Cooperation Organization in the area of counter-terrorism

[Original: Russian]

All the member countries of the Shanghai Cooperation Organization (SCO), as Members of the United Nations, have submitted reports to the Counter-Terrorism Committee of the Security Council pursuant to paragraph 6 of Security Council resolution 1373 (2001).

Even before the adoption of resolution 1373 (2001), each of these countries had legislation in the area of counter-terrorism, and after the adoption of the resolution and in accordance with its provisions, this legislation was enhanced. The focus was on criminalizing actions connected with terrorism and complicity with terrorism, and raising the level of responsibility for such actions.

Additional measures were taken to strengthen State borders, tighten customs controls, identify extremist and illegally operating groups, prevent illegal migration and strengthen law and order, and identify any accounts or funds belonging to international terrorists and their sponsors. The member countries of SCO are parties either to all 12 international instruments to combat terrorism, or to most of them.

SCO is a regional organization which was established by the States concerned out of a desire to resolve jointly issues of mutual security and of the strengthening of confidence-building measures, and was subsequently expanded to include the spheres of political, economic and cultural/humanitarian cooperation. At the time of the establishment of SCO in 2001, its members, China, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan and Uzbekistan, had already gained a great deal of positive experience in cooperation on security issues and confidence-building measures, on the basis of the Shanghai (1996) and Moscow (1997) agreements of the "Shanghai Five" on confidence-building in the military sphere in the border area and on the mutual reduction of armed forces in the border area, which were unprecedented in the Asian continent.

Long before the events of 11 September 2001 in the United States of America, the SCO States had experienced at first hand the global danger of terrorism.

Accordingly, on 15 June 2001, the Shanghai Convention on Combating Terrorism, Separatism and Extremism was signed within the framework of SCO. The process of the ratification and entry into force of the Convention is currently being completed.

The Convention gives a definition of the concepts of "terrorism", "separatism" and "extremism" in the context of regional security and recognizes that these phenomena are a serious threat to the territorial integrity and security of the Parties, and also to their political, economic and social stability. In this connection, joint efforts of the SCO member States within the framework of this Convention are an effective form of combating terrorism, separatism and extremism.

In accordance with the Convention, the parties will take all necessary measures to prevent incitement to terrorism, separatism and extremism on political, philosophical, ideological, racial, ethnic, religious or other grounds and to punish terrorist acts according to their degree of severity. In order to achieve the objectives sought, the competent central bodies of the Parties will engage in cooperation and

will assist each other within the limits of the norms of international law and the domestic legislation of the States parties to the Convention.

In accordance with article 6 of the Convention, the basic areas of cooperation are:

- The exchange of information on illegal actions which are under preparation or have been perpetrated, attempts to perpetrate such actions which have been thwarted, organizations, groups and persons which are preparing and perpetrating such actions, the illegal manufacture, acquisition, storage, transfer, removal, sale or use of poisonous, toxic or explosive substances, radioactive materials, weapons and ammunition, and also sources of financing for such activities;
- Inquiries about the conduct of operational investigations;
- The adoption of measures to prevent, identify and suppress incipient acts of terrorism, separatism and extremism in their territories directed against other Parties, and so forth.

In order to implement the Convention, the Parties may establish emergency communication lines and provide each other with logistical assistance.

The SCO member countries unanimously agree that drug trafficking is one of the main sources of financing for terrorist activities.

In 2002, joint counter-terrorist exercises were held by SCO.

On 7 June 2002 the Agreement on the regional counter-terrorist structure was signed. That instrument is currently being prepared for ratification.

In accordance with that instrument, a permanent SCO body — the regional counter-terrorist structure, with headquarters in Bishkek — was established.

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Summary of activities of the South Asian Association for Regional Cooperation

A.1. The South Asian Association for Regional Cooperation (SAARC) Regional Convention on Suppression of Terrorism of 1987 came into force in 1988, following its ratification by all the member States. The Convention provides for:

(a) The creation of offences of a terrorist nature as extraditable offences;

(b) The treatment of terrorist offences as "non-political offences" for the purpose of extradition;

(c) Vesting of extraterritorial criminal jurisdiction to try such offences.

2. At the Eleventh SAARC Summit, held from 4 to 6 January 2002, heads of State or Government made a declaration calling for concerted and resolute action against terrorism, calling also upon the member States to redouble their efforts, collectively as well as individually, to prevent and suppress terrorism in all its forms and manifestations, including by increased cooperation and full implementation of the relevant international Conventions relating to terrorism to which they are parties.

3. The Council of Ministers, at its twenty-third session, held at Kathmandu on 21 and 22 August 2002, mandated the senior officials, assisted by the legal experts of SAARC member States to prepare an Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism, recognizing the importance of updating the Convention in order to meet obligations devolving on member States in terms of Security Council resolution 1373 (2001) and the International Convention for the Suppression of the Financing of Terrorism. The Council of Ministers called for the convening of a ministerial meeting to discuss these issues.

Sri Lanka will hold the meeting of senior officials assisted by legal experts very soon.

B.1. In the absence of a monitoring or implementing mechanism identified in the Convention, the higher SAARC bodies usually review its implementations regularly.

2. The meeting of SAARC legal experts provided an opportunity to take stock of the existing legal measures in each country to give effect to the Convention. In the light of the comments made, it appeared that domestic legal measures were available in all countries to give effect to the SAARC Convention in full or in part.

3. The meeting of the heads of police agencies is held regularly to consider the whole gamut of the issues of crime and punishment, including terrorism, drug trafficking and organized crime. This forum also facilitates the implementation of the two SAARC Conventions, while helping to deal with the procedural problems encountered in enhancing inter-State and regional cooperation on many issues.

C.1. The obligations under the Convention constitute the fundamentals of the "extradite or prosecute" regime. The Convention is the culmination of the resolve of the member States "to take effective measures to ensure that the perpetrators of terroristic acts do not escape prosecution and punishment by providing for their extradition or prosecution". Furthermore, it serves as a legal basis for judicial cooperation between States and for taking action to bring terrorists and their supporters to justice.

2. Following the adoption of the Convention, a SAARC Terrorist Offences Monitoring Desk was established in Sri Lanka, with the objective of collating, analysing and sharing information on acts of terrorism. The work of the Monitoring Desk is facilitated by the annual meeting of liaison officers for the exchange of information on terrorism.

3. The heads of State or Government at the Eleventh SAARC Summit (Kathmandu, 4-6 January 2002) reaffirmed their commitment to the SAARC Regional Convention on Suppression of Terrorism, which, among other things, recognizes the seriousness of the problem of terrorism as it affects the security, stability and development of the region.

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Southern African Development Community briefing on the implementation of Security Council resolution 1373 (2001) on combating terrorism

The Southern African Development Community (SADC) region has been a victim of terrorism for decades. Terrorism has manifested itself in various forms and acted ruthlessly against innocent people. Under the pretext of fighting unwelcome policies, terrorist organizations grew from isolated groups to well-organized networks of criminal syndicates.

The events of 11 September 2001 in the United States of America brought the terrorism issue to the attention of the international community as a whole.

With the advent of the new political deal in the Southern African Development Community region, the political cover of terrorist groups faded away and their true nature was exposed.

In the region, terrorist groups are the flip side of the coin of drug dealers and racial hatred. As different criminal gangs settle scores, innocent people are often caught in the crossfire. While the region has not experienced the use of chemical and biological agents lately, in the past Zimbabwe experienced anthrax exposure and the southern part of Mozambique experienced the use of chemical agents during military conflict.

Money-laundering in the region is closely linked to drug trafficking. Many groups have been arrested and brought to justice.

SADC therefore regards terrorism in all its aspects as a threat to public security, world peace and freedom. It is in view of this that the SADC Summit, taking into account General Assembly resolution 55/158 and Security Council resolutions 1269 (1999) and 1373 (2001), which qualify acts of terrorism as a threat to international peace and security and urge Member States to strengthen cooperation between the United Nations and regional organizations for the prevention of terrorism in all its forms and manifestations, and also considering the Organization of African Unity Convention on the Prevention and Combating of Terrorism, adopted a Declaration on Terrorism.

Among other things, the Declaration calls upon SADC member States not to allow themselves to be used as bases or support centres for groups or individuals involved in terrorist activities.

As at October 2001, SADC member States had ratified or acceded to the 12 international counter-terrorism conventions as follows:

Angola	ratified 3 of 12
Botswana	ratified 12 of 12
Democratic Republic of the Congo	ratified 4 of 12
Lesotho	ratified 4 of 12
Malawi	ratified 5 of 12
Mauritius	ratified 5 of 12
Mozambique	ratified 12 of 12
Namibia	ratified none
South Africa	ratified 4 of 12
Seychelles	ratified 6 of 12

Swaziland	ratified 2 of 12
United Republic of Tanzania	ratified 3 of 12
Zambia	ratified 4 of 12
Zimbabwe	3 or more of 12

On the practical side, SADC member States have established a mechanism for combating and controlling the movement of potential terrorist groups. At the regional level, SADC decided to establish an anti-terrorist unit at the Southern African Regional Police Chiefs Cooperation Organization secretariat, based at the Interpol Subregional Bureau for Southern Africa, in Harare. The establishment of that unit is currently in process.

SADC member States, with their limited resources, are strengthening institutions dealing with the gathering and sharing of information, border control and close coordination between immigration and customs. Without prejudice to relevant international laws governing refugees, SADC member States are scrutinizing refugee movements and safety in order to identify possible infiltrations.

SADC also adopted protocols on extradition and mutual legal assistance. These legal instruments are intended to ensure that criminals do not have sanctuary in any of the member States, and that if they are found they are brought to book.

One important component connected to terrorism is the proliferation of and trafficking in small arms and light weapons. The SADC region is a product of protracted armed struggle that left thousands of small arms either in the bush or in stockpiles.

In order to curb the situation SADC is currently implementing the Protocol on the Control of Firearms, Ammunition and Other Related Materials.

The SADC banking system has put in place a mechanism for collaboration with law enforcement agencies to control and detect money-laundering and to prosecute the perpetrators.

The relevant SADC institutions cooperate with international partners to strengthen information-sharing on the establishment and movements of terrorist groups.

As regards capacity-building, law enforcement agencies and defence and security forces are conducting training in, or are in the process of introducing in their training curricula, the issues of terrorism. These activities are undertaken with the assistance of cooperating partners.

SADC is in the process of identifying its needs in order to strengthen its capacity to combat terrorism in all its forms. Once they are identified, SADC will approach the Counter-Terrorism Committee for assistance.

As the Counter-Terrorism Committee progresses in its work, the SADC region reiterates its commitment to collaborate with the whole international community to combat terrorism.

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Activities within the South-East European Cooperation Process related to terrorism

The initiative for regional cooperation in South-East Europe was launched at a meeting of the Foreign Ministers of South-East European countries, in Sofia, June 1996, under the name of the Process of Good Neighbourliness, Stability, Security and Cooperation of the countries of South-Eastern Europe. The initiative was subsequently renamed and became the South-East European Cooperation Process (SEECP). The participating States include Albania, Bulgaria, Greece, the former Yugoslav Republic of Macedonia, Romania, Turkey and Serbia and Montenegro. Bosnia and Herzegovina and Croatia have observer status. Serbia and Montenegro is the current Chairman-in-Office of the SEECP.

The participating States have expressed their commitment to prevent and counter terrorism in: the Bucharest Charter on Good-Neighbourly Relations, Stability, Security and Cooperation in South-East Europe, of 12 December 2000, the Skopje and Tirana Summit Declarations of 23 February 2001 and 28 March 2002, respectively, the Skopje Action Plan for Regional Cooperation, of 23 February 2001, as well as in the Statements issued by the Tirana and Belgrade Ministerial Meetings of 15 May 2001 and 9 June 2002, respectively.

The participating States supported Security Council resolutions 1373 (2001) and 1390 (2002), the OSCE Bucharest Plan of Action to Combat Terrorism, of 4 December 2001; the Bishkek Action Programme, of 14 December 2001, as well as the United Nations Convention on Transnational Organized Crime and its Additional Protocols.

The participating States have called upon all States to accede to the International Convention for the Suppression of the Financing of Terrorism.

At the regional level, efforts are made to bring national legislation into line with the European Union standards in the following areas: the fight against organized crime, developing a mechanism for exchange of information, border control, bilateral agreements on readmission and in the field of the judiciary.

The participating States are currently considering several initiatives aimed at promoting cooperation in suppressing terrorism and organized crime. Proposals to set up regional working groups to deal with these issues are currently under discussion. An initiative dealing with conflict prevention and early warning is also being considered.

The participating States informed various meetings of their anti-terrorism activities: the Conference on International Security and Combating Terrorism organized by the OSCE (Vienna, 15 June 2002), the Regional Forum for International Cooperation in Suppressing Terrorism (Sofia, 27 June 2002) and the OSCE meeting with regional and subregional organizations and initiatives aimed at preventing and fighting terrorism (Vienna, 6 September 2002).

Regional Ministers of the Interior have been meeting regularly (Tirana in 2002, Belgrade 2003). The Conference of Ministers of the Interior of the SEE countries on the fight against terrorism and organized crime will be held in Belgrade, as a follow-up to the London conference of November 2002. The Conference will also focus on the prevention of human trafficking.

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Anti-terrorism actions by the World Customs Organization*

A. Legislation

National legislative reforms covering specific anti-terrorism legislation, advance passenger/cargo information, organized crime and money-laundering are being pursued by the Governments of our 161 members.

The World Customs Organisation (WCO) administers international Conventions, Guidelines and best practice models for the benefit of members and for use by Governments when drafting or reviewing legislation. The empowerment of customs administrations to meet their changing role, as part of an integrated government response to terrorism, is of great importance. It would be extremely helpful if this aspect could be re-emphasized by the Security Council Committee.

Customs' legislation and control procedures at the point of export, or departure should be enhanced for security purposes. While many WCO members have legislation covering exportation, there is a need to review and/or adjust national legislation in some countries and to strengthen export control procedures. These requirements are contained in guidance to members.

B. Executive machinery

Existing procedures developed by WCO which are being adjusted to take into account anti-terrorism requirements include:

- The revised WCO Kyoto Convention. An international standard and framework for the operation of national customs administrations;
- The WCO Customs Data Model and Unique Consignment Reference. Together these initiatives will form the world standard for transmitting, tracking and tracing consignments;
- The WCO Guidelines for Advance Passenger Information, to assist in management of risks associated with movement of air passengers;
- A modern multilateral instrument on mutual administrative assistance provides the legal basis for administrative assistance between customs administrations, and the sharing of information for security screening.

The WCO resolution on Security and Facilitation of the International Trade Supply Chain is being implemented through a Task Force. The objective is to make international trade more predictable and secure, while facilitating legitimate trade. The deliverable items include:

The international adoption of data elements required by customs administrations to identify high-risk consignment prior to shipment;

1. Guidelines for national legislation;
2. An international Convention that provides for the advance exchange of customs data between customs administrations;
3. Procedures for advance cargo information;

* The annexes to this report are on file with the Secretariat and are available for consultation.

4. Guidelines for international business;

5. An analysis of capacity-building requirements to assist developing countries.

C. Looking further ahead

Pilot projects to test the practical implementation of the WCO resolution are being developed in consultation with contributions from intergovernmental agencies and international trade bodies.

Our multilateral work will be matched at the bilateral level by initiatives launched by WCO members, including agreements on security measures for sea containers, air cargo and passengers.

D. Other relevant information

With regard to the links between terrorism and other threats to security, we have commissioned a world analysis of drug trafficking trends and a similar study on cigarette smuggling. The drug trafficking risks associated with the traditional silk route and the growing incidence of smuggling counterfeit cigarettes will be studied in detail. With regard to counterfeit products, we have developed a best practice guide, which includes model legislation and control procedures.

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III. Specialized agencies/United Nations funds and programmes

Activities of the International Atomic Energy Agency to protect against nuclear terrorism

Introduction

The 2001 IAEA General Conference took place the week after the terrorist attacks in the United States of 11 September. In the immediate aftermath, IAEA member States tasked the Director General to review thoroughly the activities and programmes of the Agency with a view to strengthening the Agency's work relevant to preventing acts of terrorism involving nuclear and other radioactive materials. In a November 2001 Board of Governors document, the IAEA Secretariat outlined four principal threats related to nuclear terrorism: (a) theft of a nuclear weapon; (b) the acquisition of nuclear material to construct a nuclear weapon or to cause a radiological hazard; (c) the acquisition of other radioactive materials to cause a radiological hazard; and (d) violent acts against a nuclear facility to cause a radiological hazard. The Agency's ongoing and planned activities in these fields address the last three of these threats.

The IAEA's plan of action to counter the threat of nuclear terrorism builds upon and strengthens existing Agency programmes in a number of activity areas: (i) physical protection of nuclear material and nuclear facilities; (ii) detection of malicious activities involving nuclear and other radioactive materials; (iii) State systems for nuclear material accountancy and control; (iv) security of radioactive material other than nuclear material; (v) assessment of safety/security-rated vulnerability of nuclear facilities; (vi) response to malicious acts, or threats thereof, including radiological emergency response; (vii) adherence to and implementation of international agreements, guidelines and recommendations; and (viii) nuclear security coordination and information management. The plan also envisages the Agency's expeditious response to requests for assistance to provide equipment for physical protection upgrades at facilities and for detection equipment, for example, at border crossings (upgrades and procurement). A special Nuclear Security Fund has been established to finance the Agency's activities in this field. Voluntary cash contributions of more than US$ 12 million have already been pledged by 15 States and the Nuclear Threat Initiative (a private United States foundation), and 11 States have offered in-kind contributions.

A. International undertakings and legislation

A number of international agreements, guidelines and recommendations negotiated under the auspices of the IAEA are relevant to protecting nuclear and other radioactive material or nuclear facilities against the threat of terrorist activities. The Convention on the Physical Protection of Nuclear Material, which is an important instrument for the protection against nuclear terrorism, includes obligations on the protection of nuclear material in international transport and to make unauthorized actions involving nuclear material a criminal offence. The internationally accepted document on the Physical Protection of Nuclear Material and Nuclear Facilities (INFCIRC/225/Rev.4) contains useful recommendations. These are referenced in bilateral cooperation agreements, in international export control regimes, and are implemented through national legislation. Safeguards agreements and additional protocols concluded pursuant to the nuclear Non-Proliferation Treaty, contain obligations for accountancy and control of nuclear material. The Convention on Nuclear Safety (INFCIRC/449) and the Joint

Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management (INFCIRC/546), contain undertakings that also contribute to protection against terrorism. The IAEA Basic Safety Standards, which are implemented in States through national legislation, provide for a basic level of safety and security for radioactive material in use and in storage. A Code of Conduct for the Safety and Security of Radioactive Sources has been approved by the IAEA Board of Governors and efforts are under way to strengthen it. The IAEA develops guides and recommendations for use by all States to implement their international undertakings and to improve nuclear security.

B. Providing for the implementation of international undertakings and legislation of relevance to protect against nuclear terrorism

The Agency provides assistance to States to implement the international undertakings referred to above through its programme to protect against nuclear terrorism and, in accordance with priorities established by the member States, through the IAEA Technical Cooperation Programme. Such assistance includes: (a) assessment and evaluation missions, through a modular nuclear security assessment service programme, to identify needs for improved security and related support; (b) efforts to promote the technology and methodology necessary for effective implementation of the international obligations; and (c) training for strengthening regulatory, technical and administrative mechanisms to ensure security of nuclear and other radioactive materials and for detection and response should the material be part of malicious activities.

C. International cooperation

The IAEA programme to protect against nuclear terrorism is based on close interaction with the IAEA member States and other international organizations. Regular meetings are held with States giving financial and in-kind contributions to the implementation of the IAEA's programme to prevent nuclear terrorism. An Inter-Agency Coordination Committee on the Cross-Border Movement of Nuclear and Other Radioactive Materials has been established and meets on an annual basis. Meetings are held on a regular basis with Points of Contact of the 70 States that participate in the IAEA Illicit Trafficking Database Programme.

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Synopsis of activities of the International Civil Aviation Organization relating to counter-terrorism

Introduction

1. The mandate of the International Civil Aviation Organization (ICAO) is derived from the Convention on International Civil Aviation (Chicago, 1944). The Organization's activities related to counter-terrorism form part of the wider programme of prevention of and response to acts of unlawful interference with civil aviation, mandated by the high-level ministerial conference of February 2002 and the resulting aviation security plan of action adopted by the Council of ICAO in June 2002. ICAO initiatives include a legal programme of five international legal instruments and a technical programme of standards and recommended practices as well as related training and guidance material.

Stage A

2. The following International Civil Aviation Organization legal instruments related to aviation security include provisions concerning sections 2 and 3 of Security Council resolution 1373 (2001):

- The Convention on Offences and Certain Other Acts Committed on Board Aircraft (Tokyo, 1963), 73 signatories as at 13 January 2003
- The Convention for the Suppression of Unlawful Seizure of Aircraft (The Hague, 1970), 174 signatories
- The Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (Montreal, 1971), 175 signatories
- The Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (Montreal, 1988), 125 signatories
- The Convention on the Marking of Plastic Explosives for the Purpose of Detection (Montreal, 1991), 88 signatories

Stage B

3. The 188 States parties to the Convention on International Civil Aviation are bound to abide by the standards and recommended practices contained in the 18 annexes to the Convention, unless they specifically register a difference.

4. Annex 17 on security contains standards and recommended practices addressing overall objectives and international cooperation, States' obligations at national, airport and airline levels, including inter-agency cooperation, threat assessment and quality control, measures necessary to prevent acts of unlawful interference and management of response to acts of unlawful interference. Some standards and recommended practices with security applications are contained in other annexes, such as those concerning specifications for aircraft design and airport operations.

5. Annex 9 on facilitation addresses customs, immigration and border controls. The Organization's work in this field includes the development of technical

specifications for machine-readable travel documents to permit verification of the authenticity of travel documents and the identity of their holders and to provide safeguards against alteration and forgery. Nearly 100 States issue machine-readable passports and other machine-readable travel documents in accordance with the specifications. The International Civil Aviation Organization promotes research into biometric technology to complement the work on machine-readable travel documents and aid in the identification of suspect persons through identity confirmation.

6. The ICAO security manual, other manuals and a series of standardized aviation security training packages are available to assist States in applying annex 17 and security-related standards and recommended practices. The training packages address the range of aviation security activities, from basic training to crisis management. ICAO conducts the courses and other workshops at 10 aviation security training centres worldwide.

7. The International Civil Aviation Organization has three main assistance programmes with counter-terrorism-related applications. The Technical Cooperation Bureau, operating under the auspices of the United Nations Development Programme, and the aviation security mechanism, funded by voluntary contributions, conduct national and regional assistance projects. The ICAO aviation security audit programme identifies States' compliance with annex 17.

Stage C

8. Relevant International Civil Aviation Organization Assembly resolutions in force include:

- A32-23 (October 1998). MANPADS export control. To reduce the threat posed by man-portable air defence systems through the implementation of responsible export policies
- A33-1 (October 2001). Declaration on misuse of civil aircraft as weapons of destruction and other terrorist acts involving civil aviation
- A33-2 (October 2001). Consolidated statement of continuing ICAO policies related to the safeguarding of international civil aviation against acts of unlawful interference

9. Annex 17 standards and recommended practices relating to international cooperation are supported by model bilateral agreements and clauses and other guidance material contained in the ICAO security manual.

10. ICAO receives technical advice from an international panel of aviation security experts working on new and emerging threats, amendments to annex 17 and updating guidance material.

11. ICAO provides secretariat support to the International Explosives Technical Commission and promotes further research into explosives detection equipment.

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International Monetary Fund: summary of activities to combat the financing of terrorism

Stage A: legislation

The International Monetary Fund (IMF) provides technical assistance to member countries in a number of forms in the area of combating the financing of terrorism (CFT), including the following: (1) commenting on legislative proposals, typically prior to the proposal being sent to the member country's parliament; (2) drafting laws, either at IMF headquarters or as part of a technical assistance mission to a member country; (3) assistance in the formation and strengthening of financial intelligence units; (4) assessment missions using the anti-money-laundering (AML)/CFT methodology as a diagnostic tool to determine weaknesses and gaps in the legal and institutional framework of a member country; and (5) legislative drafting seminars on a regional basis to develop skills and draft legislation.

Stage B: implementation

IMF, in conjunction with the World Bank, the Financial Action Task Force (FATF), and other standard-setters, has developed a detailed assessment methodology to provide a comprehensive and objective basis for assessing countries' compliance with FATF's 40 recommendations on money-laundering and 8 special recommendations on terrorist financing.

Assessments

In conjunction with the World Bank, FATF and FATF-style regional bodies, IMF continues to be engaged in an extensive series of voluntary country assessments, using the latest version of the AML/CFT methodology, which includes detailed coverage of financing-of-terrorism issues.

Technical assistance

In many cases, IMF's technical-assistance missions dealing with implementation issues in the financial sector include coverage of aspects of terrorist financing, in the wider context of money-laundering and/or financial-sector supervision.

Stage C: cooperation

IMF recognizes the importance of cooperation within and between jurisdictions and between relevant international organizations in combating the financing of terrorism. In conjunction with the World Bank, IMF organized a coordination meeting for technical assistance in AML/CFT in Washington in April 2002. The agreement reached at that time continues to provide the basis for extensive ongoing contact and cooperation between the participants, particularly in the coordination of technical assistance. A further such coordination meeting is planned.

In conjunction with the World Bank, IMF participated in the development of a web-based database, to be maintained largely by FATF-style regional bodies, into which their members' requests for technical assistance would be inserted. Provision

is included for the prioritizing of requests in relation to the financing of terrorism. As this database becomes operational and increasing numbers of donors subscribe, it is anticipated that it will play a valuable role in the delivery of technical assistance.

Workshop on coordination and collaboration, Montevideo

Funded by the FIRST Initiative and in conjunction with the Financial Action Group for South America, the World Bank and other contributors, IMF organized a regional workshop for South American countries in Montevideo in September 2002. The theme of the workshop was collaboration and cooperation between all relevant authorities in the fight against money-laundering and the financing of terrorism. Following the success of this workshop, further regional training initiatives are planned.

Other relevant information

IMF has conducted research and prepared a report on hawala and other informal systems for transferring funds.

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Activities of the International Maritime Organization to enhance maritime security

Stage A

In the wake of the tragic events of 11 September 2001, the International Maritime Organization (IMO) has added "maritime security" to its main objectives of maritime safety and marine environment protection. Its general theme, therefore, now stands for: "Safe, secure and efficient shipping on clean oceans".

In pursuance of a specific decision of the IMO Assembly, a Diplomatic Conference on Maritime Security was convened, at the organization's headquarters in London from 9 to 13 December 2002, to adopt mandatory provisions for incorporation into the International Convention for the Safety of Life at Sea (SOLAS), as well as a new International Ship and Port Facility Security (ISPS) Code, both expected to enter into force on 1 July 2004 for the 146 Contracting Governments to the SOLAS Convention.

SOLAS chapter XI-2 and the ISPS Code

As a result of the decisions of the 2002 Diplomatic Conference, the SOLAS Convention has been amended to include special measures for maritime security in an ad hoc new chapter. In principle, the new chapter incorporates new regulations regarding definitions and requirements for ships and port facilities to establish maritime security measures and enhance existing ones. These regulations are supported by the ISPS Code, which will have a mandatory section (Part A) and a recommendatory section (Part B).

The guidance given in Part B of the ISPS Code will be taken into account by Governments, port facilities and industry when implementing the new SOLAS regulations and the provisions of Part A. However, it is recognized that the extent to which the guidance on ships applies will depend on the type of ship, its cargoes and/or passengers, its trading pattern and the characteristics of the port facilities visited by the ship. Similarly, in relation to the guidance on port facilities, the extent to which this guidance applies will depend on the types of cargoes and/or passengers and the trading patterns of visiting vessels.

Previous developments

Measures to prevent unlawful acts against passengers and crew on board ships

In the aftermath of the *Achille Lauro* incident in October 1985, the Maritime Safety Committee of IMO approved measures to prevent unlawful acts against passengers and crews on board ships, for application on passenger ships engaged on international voyages of 24 hours or more and the port facilities which service them. These measures recommend that Governments, port authorities, administrations, shipowners, shipmasters and crews should act to prevent unlawful acts which threaten passengers and crews; stress the need for port facilities and individual ships to have a security plan and appoint a security officer; describe, in detail, the way in which security surveys should be conducted and the security measures and procedures which should be adopted; and address security training.

Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and Protocol

The Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf (Suppression of Unlawful Acts treaties) were adopted at the end of an International Conference convened by IMO in Rome in March 1988.

The purpose of the Suppression of Unlawful Acts treaties is to ensure that appropriate action is taken against persons committing unlawful acts against ships and fixed platforms. In this context, unlawful acts include the seizure of ships by force; acts of violence against persons on board ships; and the placing of devices on board a ship which are likely to destroy or damage it.

The Suppression of Unlawful Acts treaties are currently under review by IMO's Legal Committee, in accordance with specific requests of the IMO Assembly.

Passenger ferry security

In June 1996, the Maritime Safety Committee of IMO approved a set of recommendations on security measures for passenger ferries on international voyages shorter than 24 hours and ports.

Other security-related instruments

In November 1997, the IMO Assembly adopted Guidelines on the allocation of responsibilities to seek the successful resolution of stowaway cases; as well as Guidelines for the prevention and suppression of the smuggling of drugs, psychotropic substances and precursor chemicals on ships engaged in international maritime traffic. These instruments address, to some extent, security measures on board ships and in ports.

Stage B

Not applicable

Stage C

In November 2001, the IMO Assembly agreed to strengthen the organization's technical cooperation programme by providing £1.5 million to help developing countries to address maritime security issues. Subsequently, seven regional seminars and workshops on the enhancement of maritime and port security were held in Kenya, Singapore, Australia, Egypt, Uruguay, Panama and Poland in 2002 and a further seven will be held initially in the remaining regions of the globe in 2003. In addition, fact-finding and assessment missions and advisory services have been, and will be, conducted at and upon request by countries concerned.

Future developments

Work is under way by IMO, or in cooperation with other relevant international organizations, on the development of:

1. An identity document for use by seafarers (in cooperation with ILO);

2. Measures to enhance security in the multimodal movement of cargo transport units (in cooperation with the World Customs Organization); and

3. Comprehensive port security requirements (again in cooperation with ILO).

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Summary of activities and experience of the United Nations Office on Drugs and Crime

In October 2002, the United Nations Office on Drugs and Crime launched its Global Programme against Terrorism. The overall aim of the Programme is to respond promptly and efficiently to requests for counter-terrorism assistance.

Stage A

In accordance with the priorities set by the Counter-Terrorism Committee (CTC), the Office currently focuses on stage A concerns.

Operational activities

A close relationship has been established between the two entities; it has been strengthened with the recruitment by the Office on Drugs and Crime of CTC's former lead expert.

Identifying countries: a key partner — CTC

- In liaison with CTC, the Office identifies countries in need of assistance so as to bring their legislation into line with the requirements of resolution 1373 (2001) and the 12 conventions and protocols related to international terrorism.
- Requests for assistance are also sent directly to the Office by Member States.

Promoting the implementation of counter-terrorism instruments

- In the past months, the Office has provided legal advisory services to requesting countries. For 2003, the Office plans to provide services to nearly 30 countries.
- The scope of the assistance varies, depending on the request received and the level of a country's existing counter-terrorism measures.

Developing tools

- The Office is finalizing legislative guides and implementation kits for the international counter-terrorism instruments.
- Best practices from national legislation are presented on the Office's web site (http://www.odccp.org/odccp/terrorism_documents. html).

Multiplying our impact

Partnerships

The Office has started cooperation with regional and other international organizations to enhance the effectiveness of the work. It wishes to expand these contacts and therefore plans to invite a number of organizations to Vienna in order to explore cooperation possibilities. Regional advisers on counter-terrorism will be strategically based in field offices of the Office on Drugs and Crime to support our assistance activities.

Coordination between activities conducted within the Office on Drugs and Crime

Assistance missions by counter-terrorism experts are coordinated with the Office's experts on money-laundering and transnational organized crime.

Stage B

The Office will collect information on best practices from national experiences so as to be in a position to give countries advice and assistance in setting up new anti-terrorism machineries or strengthening existing institutions. Once structures have been upgraded, the Office will provide training in specific areas. The Office looks forward to discussing with CTC, as well as regional and other international organizations on how best to develop stage B advisory services.

Stage C

Combining counter-terrorism assistance and assistance to combat transnational organized crime

Whenever possible, the Office's counter-terrorism assistance missions are conducted jointly with missions undertaken to facilitate the implementation of the United Nations Convention against Transnational Organized Crime, especially in view of the cooperation mechanisms that the convention provides.

Training for legal attachés

The Office is organizing training for liaison prosecutors, which could be expanded to legal attachés posted in embassies.

Manuals on extradition and mutual legal assistance

The Office has produced manuals on the United Nations model treaties on extradition and mutual legal assistance, which can be used to further the aims of resolution 1373 (2001).

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Summary of activities and experience of the United Nations Global Programme against Money Laundering

Established in 1997, the Global Programme against Money Laundering (GPML) serves as focal point in the United Nations system for issues of money-laundering and proceeds of crime, including technical assistance to States in bringing their countermeasures into conformity with international standards. It is active in assisting States to fulfil their obligations to counter the financing of terrorism (CFT).

Stage A. Legislation/machinery against terrorist financing

GPML:

(a) Coordinates a United Nations Office on Drugs and Crime group preparing model legislative provisions to assist States in bringing their laws into compliance with current international standards, including the 1999 United Nations Convention, Security Council resolution 1373 (2001) and the Financial Action Task Force on Money Laundering (FATF) eight Recommendations. The first version, building upon current Office on Drugs and Crime model legislation on money-laundering and proceeds of crime for common law systems, is expected to be in draft form for review by an expert group in the second quarter of 2003. A version for civil law systems is planned as a follow-up, in partnership with the Global Programme against Terrorism;

(b) Provides legislative advice/drafting assistance to States to ensure compliance with AML/CFT infrastructure requirements, e.g., criminalization; financial record keeping and reporting; know-your-customer; financial intelligence units (FIUs); cross-border currency movements; freezing/seizure/confiscation of assets; seized asset management; international cooperation;

(c) Assists in the organization of, and makes presentations at, seminars and workshops to increase AML/CFT knowledge and capacity of States (most recently: the joint Australia/Indonesia seminar in Bali, December 2002);

(d) Staff participate in assessment and technical assistance missions of IMF/World Bank, advising on inter alia CFT legislative provisions.

Stage B. Implementation

GPML:

(a) Operates a system of mentoring: puts experts in the field long term (generally for more than one year) in States or regions to build capacity in investigations, prosecutions and FIUs and to develop regional AML/CFT bodies. There are currently five GPML mentors posted in the Pacific, the Caribbean and East and southern Africa; additional mentors will be sent to the field in 2003;

(b) Provides training to personnel of States' financial sector, law enforcement, judiciary and FIUs to build knowledge and skills necessary for effective participation in AML/CFT systems.

Stage C. International cooperation

GPML:

(a) Training, mentoring and legislative assistance activities include upgrading of States' capacity to exchange information and evidence to cooperate in investigations, prosecutions and the seizure of illicit assets;

(b) Is a partner with major international organizations, and numerous Governments, active in AML/CFT work and frequently plans/executes technical assistance as a joint venture with one or more of these organizations. Examples: joint Pacific Islands mentoring initiative with Commonwealth Secretariat and Pacific Forum; cooperation with the Egmont Group in FIU technical training.

Web sites and database

GPML is coordinator of the International Money Laundering Information Network (IMoLIN), which includes the global Anti-Money Laundering Information Database (AMLID) of anti-money-laundering legislation and analysis. The database is regularly upgraded to increase content related to countering terrorist finance. The Programme administers IMoLIN on behalf of the United Nations, FATF, Interpol, the Commonwealth Secretariat, the Organization of American States, the Council of Europe, the Asia-Pacific Group on Money Laundering and the Caribbean Financial Action Task Force. IMoLIN can be accessed at www.imolin.org.

Further information on GPML at http://www.unodc.org/odccp.

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Office of the United Nations High Commissioner for Human Rights

Much of the work of the Office of the United Nations High Commissioner for Human Rights (OHCHR) with respect to counter-terrorism measures is carried out through its support of the human rights treaty bodies and the special procedures of the Commission on Human Rights. The treaty bodies make observations on the conduct of States in combating terrorism as part of their periodic reviews of State compliance with human rights treaty obligations. For example, the Human Rights Committee has issued findings on the use by some countries of extended incommunicado detention. The Human Rights Committee also issues General Comments on specific matters, for example General Comment No. 29 on states of emergency (CCPR/C/21/Rev.1/Add.11, 31 August 2001), which identifies rights which must be respected under any circumstance, including officially declared states of emergency.

The special mechanisms established by the Commission intervene in individual cases and also make general statements of principle regarding human rights protection. Several special rapporteurs, including those on torture, human rights defenders, and independence of judges and lawyers, in addition to rapporteurs with country-specific mandates, have raised a range of concerns, for example the use by some countries of military tribunals to try terrorism-related offences.

The Office of the United Nations High Commissioner for Human Rights also supports the mandate of the Special Rapporteur on terrorism and human rights of the Sub-Commission on the Promotion and Protection of Human Rights.

The Office of the United Nations High Commissioner for Human Rights has exchanged views with the Counter-Terrorism Committee of the Security Council, briefing it three times since its inception in 2001. In September 2002, the High Commissioner for Human Rights submitted a note to the Chair of the Counter-Terrorism Committee, in which general principles of law were set out to help guide States in protecting human rights in the context of efforts to eradicate terrorism (see http://www.un.org/Docs/sc/committees/1373/, Briefings, 24 September 2002).

Looking ahead, the work of the Office of the United Nations High Commissioner for Human Rights will be guided by General Assembly resolution 57/219 of 18 December 2002, on protecting human rights and fundamental freedoms while countering terrorism, in which the High Commissioner is requested:

- To examine the question of the protection of human rights and fundamental freedoms while countering terrorism, taking into account reliable information from all sources
- To make general recommendations concerning the obligation of States to promote and protect human rights while taking action in countering terrorism
- To provide assistance to States, upon their request, on the protection of human rights and fundamental freedoms while countering terrorism.

The Office will also base its approach on the human rights-related recommendations of the Policy Working Group on the United Nations and Terrorism established by the Secretary-General (A/57/273-S/2002/875).

The technical assistance programme of the Office of the United Nations High Commissioner for Human Rights helps States to integrate international human rights norms into law and practice, and thus can be of direct relevance to counter-terrorism measures. The Office plans to develop guidelines and practical advice which can be made available to Governments that refers to the Counter-Terrorism Committee's Directory of Assistance, to support them in their efforts to eliminate terrorism while ensuring the human rights of all.

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Summary of the anti-terrorism activities of the organization for the Prohibition of Chemical Weapons

After 11 September 2001, the Organisation for the Prohibition of Chemical Weapons (OPCW) started to evaluate its potential in the global efforts to fight international terrorism. The role of OPCW is to monitor the implementation of the Chemical Weapons Convention, which prohibits the development, acquisition, possession, production, transfer and use of chemical weapons. The primary responsibility of OPCW is to verify the correctness of declarations of chemical weapons and chemical weapons production facilities and the process of their elimination, as well as compliance with the Convention's norms regarding permitted uses of chemicals that could also be used for chemical weapons purposes and to ensure the non-proliferation of chemical weapons.

The evaluation has shown that while OPCW, like many other international organizations, was not established with the purpose of countering the threat of terrorism, the proper implementation of its chemical disarmament mandate would undoubtedly contribute to the fight against the scourge of terrorism, in particular terrorism involving toxic chemicals.

On 7 December 2001 the Executive Council of the Organisation unanimously adopted a decision (EC-XXVII/DEC.5), which provides guidelines for OPCW to focus its contribution to the global anti-terrorist efforts, in the context of the Chemical Weapons Convention, in several main areas. Those areas include: promotion of universal adherence to the Convention, full implementation of the legislative measures, full implementation of the provisions related to the destruction of chemical weapons, full implementation of the provisions related to the activities not prohibited by the Convention and ability of OPCW to respond to requests for assistance and protection in cases of use or threat of use of chemical weapons.

OPCW has already conducted activities in line with the above-mentioned Executive Council decision on terrorism. The activities are ongoing and there may be more room for further actions. OPCW has established an open-ended working group on terrorism. The group has held several meetings and focused mainly on the issue of the enactment of national legislative measures, including penal legislation, by the States parties, as required by the Chemical Weapons Convention. That issue is of utmost importance for OPCW. The Chemical Weapons Convention requires making the development, production, acquisition, stockpiling, transfer and use of chemical weapons a criminal offence in all States parties and for all citizens of all States parties. Full implementation of those legislative measures, including the universal application of the principle of extraterritorial jurisdiction inscribed in the Convention, helps to ensure that any violators of the Convention can be prosecuted and punished, that declarable activities are reported and transfers of toxic chemicals and precursors are properly monitored and that transfer prohibitions required under the Convention are enforced. It also contributes to the ability of States parties to cooperate in relation to the enforcement measures and makes the Organisation's verification activities more effective. At the same time, those very measures are considered to be of significant value in preventing terrorist access to chemical weapons agents, precursors and technology.

OPCW conducted its first exercise on delivery of assistance (ASSISTEX I) in Croatia, with a scenario of chemical terrorism, from 10 to 14 September 2002. The

exercise was designed to test procedures of international response and assistance in case of terrorist use of chemical weapons. Fifteen States parties, 300 personnel, including military as well as special forces, and 100 tons of equipment were involved in the exercise. In general, the OPCW assistance approach relies on a limited capacity within the secretariat that can undertake investigations of alleged use of chemical weapons as well as initial assessments of needs after a chemical attack, combined with resources of States parties, which they would provide in such situations.

OPCW is regularly inspecting the storage and continuously monitoring the destruction of chemical weapons (as of now, 7,094 metric tons of chemical agents and 1,865,584 munitions and containers have been destroyed and positive recent developments include the long-awaited commencement of industrial-scale chemical weapons destruction in the Russian Federation, with 100 metric tons of chemical agents already destroyed).

OPCW organized numerous meetings, seminars and workshops with the participation of national authorities (bodies designated by the States parties). While the main subject is the implementation of the Chemical Weapons Convention, aspects related to anti-terrorism are also addressed, thus raising awareness of the danger of terrorist access to chemical weapons and other toxic materials and of the need to counter that danger.

OPCW is actively promoting universal adherence to the Convention (there are currently 148 States parties). That would mean expanding the zone of application of the international legal regime outlawing chemical weapons and criminalizing illegal access to dangerous chemical-weapons-related substances and technologies.

In conclusion, it is important to point out that the adoption by the Security Council of its resolution 1456 (2000) on 20 January 2003 specifically highlighted the role and potential for "those technical agencies and organizations whose activities relate to the control of the use of or access to nuclear, chemical, biological and other deadly materials". From the experience and perspective of OPCW, those organizations are useful, but cannot be self-sufficient in the fight against terrorism. Hence, the need for those organizations to work together, mutually complementing and reinforcing each other's assets, is obvious.

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Universal Postal Union: international action against terrorism

An overview of our Postal Security Action Group as an agent of the Universal Postal Union (UPU) for counter-terrorism is provided herein. Its initiatives have been divided into stages A, B and C as requested by the Chairman of the Counter-Terrorism Committee.

Stage A

Since 1990, the mission of the Postal Security Action Group (PSAG) of UPU has been to enhance the security and integrity of the international mail network. In addition to partnerships with 189 UPU-member postal administrations, PSAG has incorporated strong working relationships with international organizations such as the International Air Transport Association, the International Civil Aviation Organization, the International Atomic Energy Agency, the World Health Organization, the United Nations Office on Drugs and Crime, the World Customs Organization, and the International Criminal Police Organization (INTERPOL).

After recent events of aviation and biological terrorism, PSAG has leveraged worldwide resources for training, consulting and other missions crucial to improving the safety and security of the post, its employees and its customers. PSAG has conducted international seminars on dangerous goods, exposure of the post as a vehicle for terrorism, combating bio-terrorism and the illicit trafficking of nuclear material.

Stage B

With the discovery of letters containing anthrax bacteria in the United States of America in October 2001, UPU initiated a broad-based action plan to address bio-terrorism and the post. A contingency planning circular was distributed to member administrations with advice on initiating a critical review of existing contingency plans to ensure they adequately addressed crisis situations involving mail operations.

A bio-terrorism, contingency planning and continuity of operations guide is currently being distributed to all member administrations and interested parties.

UPU developed a crisis response team and an electronic emergency information system to respond to the anthrax crisis and to future emergencies. A team of key managers representing operations, information technology and security effectively responds to international crisis events impacting the post and its customers. An emergency information system allows for the rapid receipt and electronic dissemination of mail operations information during crisis events.

The UPU/Interagency Project Group on Dangerous Goods, a subgroup of PSAG, has been charged with coordinating existing and future initiatives involving bio-terrorism and dangerous goods control with member postal administrations, international organizations and the general public.

Stage C

Following recent and existing memoranda of understanding with other international organizations, UPU and its Postal Security Action Group have aggressive plans to

identify and formulate action plans for inter-organizational cooperation on crime prevention and counter-terrorism where a nexus with the post exists.

This spring, PSAG has plans for an international conference on combating money-laundering and the financial support of terrorism and ensuring aviation security in cooperation with INTERPOL and the European Civil Aviation Conference.

I hope this overview of the work of UPU and its Postal Security Action Group proves useful to the work of the Counter-Terrorism Committee and we welcome the opportunity to participate in meetings of the Committee and the furtherance of its goals.

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Activities of the United Nations Development Programme

Within its mandate as the United Nations development network, the United Nations Development Programme (UNDP) supports the activities of the Counter-Terrorism Committee by the following programmes, undertaken at the request of Member States:

Stage A: Supporting the capacity of parliaments to enact legislation that reflects national commitments to international conventions and protocols relating to terrorism.

Stage C: Supporting through its information and communication technology programmes the capacity of national, subregional and regional agencies to exchange information on all aspects of good governance.

UNDP, as the country-level agency in charge of coordination, also helps, through fostering the participation of the United Nations agencies, both resident and non-resident in Poverty Reduction Strategy Papers, and in the Common Country Assessment and the United Nations Development Assistance Framework. Through these instruments, the mandates of United Nations agencies such as the United Nations Office on Drugs and Crime are included in international cooperation for development.

Finally, UNDP supports the promotion of democratic governance, and the voluntary removal of illicit weapons. Its programmes in support of the disenfranchized also contribute, in the long term, to the shared goal of an end to terrorism.

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Activities of the World Bank in the area of counter-terrorism and anti-money-laundering

After the tragic event of 11 September 2001, the Bank Board directed the staff to intensify its work in combating the financing of terrorism and money-laundering. The main steps are the following:

The World Bank and the IMF Boards have recognized the Financial Action Task Force on Money Laundering (FATF) 40 Recommendations and 8 Special Recommendations (40+8) as the international standard and added anti-money-laundering and combating the financing of terrorism (AML/CFT) to the list of areas that are useful for their operational work.

The Bank and the Fund have also established a collaborative framework with the FATF and other standard-setters for conducting comprehensive AML/CFT assessments of countries' compliance with the FATF 40+8 Recommendations, using a single methodology. It is based primarily on the FATF 40 Recommendations and the FATF 8 Special Recommendations on Terrorist Financing, but also includes relevant elements from supervisory/regulatory standards for the banking, insurance and securities sector. It should be noted that each assessment should address all the elements necessary for an effective AML/CFT regime (e.g., criminalization of money-laundering and financing of terrorism, confiscation of proceeds of crime or property used to finance terrorism, law enforcement and prosecution authorities, customer identification, suspicious transactions reporting, record keeping, internal control, controls and monitoring of cash and cross-border transactions).

This unified and comprehensive methodology was adopted at the FATF plenary meeting on 11 October 2002, and the assessment programme of the Bank and the Fund has now started for a 12-month pilot programme. The Bank and Fund expect to carry on assessments of about 16-20 countries over this period of time.

In order to sensitize their member countries on AML/CFT issues, the Bank and the Fund have initiated a series of Global Dialogues through videoconferences to bring together leading experts and senior country officials responsible for formulating public policy on AML/CFT. These dialogues enable a constructive exchange of ideas to take place between the Bank and the Fund and their member countries. These dialogues include, where relevant, the participation of other international or regional organizations, such as the regional development banks, the FATF-style regional bodies and the United Nations Global Programme against Money Laundering. Thus far, Dialogues have been held with countries in Eastern Europe and Central Asia, Latin America, Africa, South and East Asia. A Dialogue is planned with North Africa countries in January 2003.

The Bank and Fund are already responding to technical assistance requests from their member countries and will do so on an ongoing basis. It should be noted that more than 23 individual country requests have already been answered in the year 2002. Drafting legislation in AML/CFT and building capacity to implement the AML/CFT standards are among the most frequent requests received thus far.

In addition, the Bank is organizing, together with the IMF, regional conferences that bring together country officials as well as international experts on high priority implementation issues. In September 2002, the Bank and the Fund, in

collaboration with GAFISUD[1] organized a conference in Montevideo on developing coordination strategies and new partnership in South America in the fight against money-laundering and financing of terrorism. This workshop, which brought together nine countries[2] was a great opportunity to share experiences with national and regional counterparts, learn from leading experts on best practices, identify gaps in systems, and formulate practical cooperation strategies. Another regional conference took place in Moscow in December 2002, and included the participation of representatives from over 20 countries from Europe and Central Asia[3] (including China and Egypt). The focus of the conference was implementation of basic principles of AML/CFT compliance with international standards, and creating operational Financial Intelligence Units (FIUs). This seminar was aimed at those countries that do not have operational FIUs and are in need of basic technical assistance in AML/CFT legislation. In this respect, the conference was a great opportunity to identify and address many technical assistance-specific needs of the targeted countries, such as assistance in FIU creation, training of supervisors, prosecutors and judges, legal assistance in enhancing CFT and AML laws, awareness-raising, especially among government officials, and information technologies/software equipment. It is likely that a similar workshop will be organized in the coming month in the Caribbean.

An important practical step is the joint development with the IMF of a Technical Assistance Coordination Database. In April 2002, the Bank and the Fund hosted a meeting in Washington, D.C., to consider how best to work with their partners to track AML and CFT technical assistance requests and responses on an ongoing basis. In partnership with the Fund and in coordination with the secretariats of FATF-Style Regional Bodies (FSRBs), the Bank has launched an initiative intended to improve the international coordination of technical assistance through a database. It has been set up on a World Bank secure server and is accessible through the Web by means of a password. Thus, (a) countries and FSRBs will use this database to reach a larger group of potential donors and providers, and (b) technical assistance donors and providers will have easy access in order to view outstanding technical assistance requests and recent technical assistance activities. The database is intended to:

- Support the strategic objectives of the technical assistance coordination initiative, including strengthening the roles of the FSRB secretariats in technical assistance coordination at the regional level
- Identify high priority technical assistance needs
- Fill gaps in the delivery of technical assistance
- Help to prevent duplication of efforts
- Enhance information flow on technical assistance needs and activities among all the relevant partners. The database, which currently includes some 60 countries, was tested by all FSRBs and select donors in late 2002. The technical assistance Coordination Database has been operational since January 2003.

[1] Financial Action Task Force in South America.

[2] Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

[3] Belarus, Georgia, Kyrgyzstan, Uzbekistan and Ukraine, among others.

The World Bank and the IMF are producing a Reference Guide to Anti-Money Laundering and Combating the Financing of Terrorism. It will fill a void in reference materials, because there is currently no single, comprehensive source of information available for a country to establish or improve its institutional framework on AML/CFT. Thus, it will provide a complete description of all the elements required to meet international standards on these subjects. The Guide will be available both by printed copy and by electronic version during the first quarter of 2003.

Ultimately, it should be noted that the Bank's work on AML/CFT is integrated into the broader Country Assistance Strategy, particularly where weaknesses may pose a significant governance and development risk. Integration into the Country Assistance Strategy will ensure that the AML/CFT programmes are carried by strong country ownership and grounded in the country's political, economic and social context.

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World Health Organization

Please find below a short summary of the activities of the World Health Organization (WHO) in the area of counter-terrorism in accordance with the request contained in your letter of 20 December 2002.

(a) A guide to member Governments entitled "Public Health Response to Biological and Chemical Weapons: WHO Guidance". The prepublication version is available on the WHO web site. Final publication is scheduled for April 2003;

(b) WHO has, as an adviser to the Economic and Social Council Committee of Experts on the Transport of Dangerous Goods, produced an update entitled "Safe Transport of Infectious Substances and Diagnostic Specimens";

(c) WHO has produced a Manual on Laboratory Biosafety and Biosafety Guidelines for Diagnostics and Research. These documents are constantly being updated and revised;

(d) WHO is currently preparing guidance for member States to establish and strengthen prevention and response in the events of deliberate acts of sabotage of food. The document is entitled "Terrorist Threats to Food: Guidance for Establishing and Strengthening Prevention and Response Systems";

(e) WHO is strengthening its mechanism for global outbreak alert and response in order to increase its capabilities for early detection of disease outbreaks as well as for rapid response capabilities. WHO is also increasing its capabilities on diseases associated with biological (for example, anthrax, plague and smallpox) and chemical threats;

(f) WHO is working with the Global Health Security Initiative, the Ministries of Health of the G-7 countries plus Mexico for improved preparedness for and response to the deliberate use of biological and chemical agents, with particular attention to smallpox;

(g) WHO, through its regional offices, is providing technical assistance to the Ministries of Health of its member States for strengthening national preparedness and response programmes for biological and chemical threats. Activities include advisory missions to countries and regional consultations (for example, the South-East Asian Regional Office of WHO is holding an Intercountry Meeting on Management of Biological, Chemical and Radionuclear Incidents Emergency Preparedness, in Bangkok, Thailand, from 17 to 20 March 2003).

Most of these documents can be retrieved at the WHO web site, with the exception of the "Terrorist Threat to Food" document, which will be available later in January 2003. A CD-ROM on WHO information and documents on the health aspects of biological, chemical and radiological threats is being finalized and will soon be made available to member States.

Finally, WHO is the Task Manager for the new United Nations Disaster Management Training Programme on Terrorism and other Man-made Disasters, which is being prepared by external consultants in collaboration with Harvard University.

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IV. Secretariat departments

Work of the Department for Disarmament Affairs regarding counter-terrorism

Stage A

Nothing to report.

Stage B

Department for Disarmament Affairs

- Assists Member States and States Parties to existing multilateral disarmament and non-proliferation agreements in promoting, consolidating and strengthening such agreements, and in creating new norms. These agreements include disarmament measures, non-proliferation provisions, confidence-building measures, and contribute to preventing the diversion of weapons or related materials by controlling the transfer of relevant technology and components.
- Encourages States Parties to enact domestic legislation criminalizing illegal activities related to weapons of mass destruction and the unauthorized use or transfer of weapons and technologies by their nationals.

The following agreements and initiatives are relevant to counter-terrorism:

- Treaty on the Non-Proliferation of Nuclear Weapons
- Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction
- Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction
- Comprehensive Nuclear-Test-Ban Treaty
- Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on Their Destruction
- Programme of Action of the 2001 United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects

Stage C

- The Department for Disarmament Affairs cooperates with the International Atomic Energy Agency, the Organization for the Prohibition of Chemical Weapons (OPCW), the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), the World Health Organization (WHO) and the International Centre for Genetic Engineering and Biotechnology (ICGEB), to monitor relevant developments and identify additional measures and areas of cooperation that could contribute to joint action against terrorism.

- The Programme of Action on the Illicit Trade in Small Arms and Light Weapons highlights the need to combat such trade linked to drug trafficking, transnational organized crime and terrorism. The Department for Disarmament Affairs facilitates the implementation of the Programme of Action priorities that relate to capacity-building, post-conflict disarmament, demobilization and rehabilitation activities, and the collection of illicit arms.

- Illicit arms collection projects have been carried out in a number of countries, such as Albania, Cambodia, Papua New Guinea and Sri Lanka, in cooperation with, in particular, the United Nations Development Programme, the Department of Political Affairs and the Department of Economic and Social Affairs. The Department for Disarmament Affairs further interacts with organizations such as the African Union, the European Union, the League of Arab States, and the Organization of American States.

Ongoing and future work

- Under recommendation 18 of the Policy Working Group on the United Nations and Terrorism, (see A/57/273-S/2002/875, annex) a mechanism is to be established under the Department for Disarmament Affairs that "could serve as a barometer of terrorist danger" in the area of weapons of mass destruction and "could be available to assist the Counter-Terrorism Committee, either directly, by providing analysis and advice, or indirectly, by recommending appropriate cooperation between the Security Council (or the Committee) and the relevant operational agencies, such as the International Atomic Energy Agency or the Organization for the Prohibition of Chemical Weapons". As a first stage, the Department is developing a function to monitor and analyse developments with regard to the potential use of weapons of mass destruction and related materials by terrorists.

- In accordance with General Assembly resolution 57/83, the Department for Disarmament Affairs will compile a report on measures taken by international organizations on issues relating to the linkage between the fight against terrorism and the proliferation of weapons of mass destruction, and on the views of Member States on additional relevant measures for tackling the global threat posed by terrorists acquiring weapons of mass destruction.

- Recommendation 24 of the Policy Working Group report calls for the Department for Disarmament Affairs and the Office on Drugs and Crime to study the links between terrorism and organized crime.

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Department of Public Information

The Department of Public Information's work relating to counter-terrorism to date includes the following activities:

On 11 September 2001, staff of the Department of Public Information recorded and disseminated worldwide for television, radio, print media and the web the first statements of the Secretary-General and the President of the Security Council condemning the terrorist attacks on the World Trade Centre. The following day, arrangements were made for a number of senior United Nations officials to appear on radio and television programmes of major broadcasters around the world. The head of the Department and other Department staff gave numerous radio and television interviews worldwide. An op-ed article by the Secretary-General, "Uniting against terrorism", was placed in *The New York Times*, and through the efforts of United Nations Information Centres, was published by 108 other newspapers in 29 languages. In addition, the Department prepared a note to correspondents, also posted on the web, highlighting the provisions of the 12 United Nations Conventions on terrorism. A televised public service announcement, which included the Security Council vote on 12 September, was carried a number of times by the American Broadcasting Corporation in the United States and on other stations.

On 11 October 2001 the Secretary-General participated via satellite link in "Town Hall" meetings organized in 10 cities in the United States by the Better World Fund in cooperation with the Department of Public Information. The 35-minute segment included a powerful opening statement by the United States Secretary of State, Colin Powell. Panel discussions with senior United Nations officials followed in those cities.

The Department web site "UN action against terrorism", available in the six official languages of the United Nations, provides an overview of anti-terrorism efforts since September 2001. In addition, the United Nations News Service created a special page on the United Nations News Centre web site, "Fighting Terrorism". The page provides headlines of, and links to, all the latest United Nations news stories and press releases, along with links giving the latest developments by United Nations bodies, including the Counter-Terrorism Committee, photos and links to more in-depth pieces by the United Nations News Service and United Nations Radio. It also contains a regularly updated summary of actions by offices and agencies throughout the United Nations system, all with links to the latest information. A special news focus page has been created to cover the latest actions by the United Nations system in combating terrorism.

The Department of Public Information has also assisted the Counter-Terrorism Committee in establishing its web site and provided guidance on converting to a more user-friendly database platform. The Department has also facilitated the distribution of a brochure, produced by the Permanent Mission of the United Kingdom, on the activities of the Committee.

Several Information Centres cooperated in the production of special supplements to the major daily newspapers in various countries on the role of the United Nations in the fight against terrorism. A number of Centre Directors and other officials have given interviews for radio, television and print media in their host countries. Guidance prepared by the Department to assist in responding to

media queries on United Nations action against terrorism, was also given to United Nations system partners, as well as to departments in the Secretariat.

Other efforts include a note prepared by the Department of Public Information, in consultation with the Department of Political Affairs, setting the historical record straight on United Nations efforts to resolve the conflict in the Middle East. The note was issued in the wake of the 3 November 2001 videotaped statement by Osama Bin Laden blaming the United Nations for many of the problems in the region, and was widely disseminated in Arabic by the United Nations Information Centres in the Middle East on 5 November 2001. The Department of Public Information is currently strengthening its capacity in the Arabic-speaking world and, as part of its reform efforts, seeking to redeploy additional staffing resources to this area.

The Department's Public Inquiries Unit has responded each month to thousands of e-mails, letters and telephone inquiries to Headquarters from the public, and the Guided Tour Unit at Headquarters now provides information to visitors on United Nations efforts against terrorism.

The issue of terrorism and the role of cooperation between Governments, international organizations and non-governmental organizations in their efforts to combat and eliminate terrorism, was covered in the Department/NGO conference held in September 2002. The subject of the Department non-governmental organization briefing on 25 April 2002 was "Update on the Campaign to Combat Terrorism". The annual observance of World Press Freedom Day on 3 May 2002 was also devoted to a discussion of the media and terrorism.

United Nations Television and Photo continue to provide television and photo coverage of United Nations activities to counter terrorism. The *UN Chronicle*, in its Issue No. 3, 2001, included a special wraparound section covering United Nations action against terrorism. The section was also posted on the Chronicle's web page.

In a broader context, the Department of Public Information actively participated in the Integrated Mission Task Force which worked on contingency plans for the return of the United Nations to Afghanistan, ensuring priority consideration for the role of public information activities, including devising a long-term information strategy and a short-term plan of action. Daily radio feeds have been increased.

The Department of Public Information was represented in the subgroup on media and communications of the Policy Working Group on the United Nations and terrorism. A Department focal point to develop and oversee the implementation of a communications strategy in support of action against terrorism and to highlight the work of the substantive departments involved in this issue was also appointed in January 2003. It is anticipated that United Nations Information Centres and other United Nations offices in the field will play a key role in carrying out this communications strategy.

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Office of Legal Affairs

By its resolution 57/27 of 19 November 2002, the General Assembly reaffirmed the mandate of the Ad Hoc Committee established by General Assembly resolution 51/210 of 17 December 1996. The Ad Hoc Committee held its sixth session from 28 January to 1 February 2002 to continue the elaboration of a draft comprehensive convention on international terrorism, with appropriate time allocated to the continued consideration of outstanding issues relating to the elaboration of a draft international convention for the suppression of acts of nuclear terrorism, and to keep on its agenda the question of convening a high-level conference under the auspices of the United Nations to formulate a joint organized response of the international community to terrorism in all its forms and manifestations.[1] A Working Group of the Sixth Committee continued this endeavour on 15 and 16 October 2002, focusing on the draft comprehensive convention and on the outstanding issues relating to the draft international convention for the suppression of acts of nuclear terrorism.[2]

The work of the Ad Hoc Committee shall continue during its seventh session, to be held from 31 March to 2 April 2003.

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[1] For the report of the Ad Hoc Committee, see *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 37* (A/57/37).

[2] For the report of the Working Group, see document A/C.6/57/L.9.